

CITY OF ST. CHARLES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
April 30, 2005**

Prepared by the Finance Department

**Pamela L. Colby
Director of Finance**

**Larry W. Maholland
City Administrator**

CITY OF ST. CHARLES, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Officers and Officials	i
Organizational Chart	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal	iv-x
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis.....	3-16
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	17
Statement of Activities	18-19
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	20
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets	21
Statement of Revenues, Expenditures and Changes in Fund Balance	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	23

CITY OF ST. CHARLES, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Assets	24
Statement of Revenues, Expenses and Changes in Net Assets	25
Statement of Cash Flows	26-27

Fiduciary Funds

Statement of Fiduciary Net Assets	28
Statement of Changes in Fiduciary Net Assets	29

Notes to Financial Statements	30-58
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual - General Corporate Fund	59
Notes to Required Supplementary Information	60
Schedule of Funding Progress	
Illinois Municipal Retirement Fund	61
Sheriff's Law Enforcement Personnel	62
Police Pension Fund	63
Firefighters' Pension Fund	64
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	65
Sheriff's Law Enforcement Personnel	66
Police Pension Fund	67
Firefighters' Pension Fund	68

CITY OF ST. CHARLES, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
NONMAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	70
Nonmajor Special Revenue Funds	
Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
TIF District 1 Fund	73
TIF District 2 Fund	74
TIF District 3 Fund	75
TIF District 4 Fund	76
TIF District 5 Fund	77
Motor Fuel Tax Fund.....	78
Subsidized Transportation Fund	79
Nonmajor Debt Service Funds	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
TIF District 1 Fund	82
TIF District 2 Fund	83
TIF District 3 Fund	84
TIF District 5 Fund	85
1997 General Obligation Bond Fund.....	86
1998 General Obligation Bond Fund.....	87
1999 General Obligation Bond Fund.....	88
2000 General Obligation Bond Fund.....	89
2002A General Obligation Bond Fund.....	90
2004 General Obligation Bond Fund.....	91

CITY OF ST. CHARLES, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Nonmajor Capital Projects Funds

Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	93
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Century Station Fund	94
Redgate Bridge Fund	95
Fire Station Fund	96
West Side Parking Deck Fund	97
Public Works Garage Fund	98
Special Service Area 21 Fund	99
TIF District 4 Fund	100
TIF District 5 Fund	101

INTERNAL SERVICE FUNDS

Combining Statement of Net Assets	102
Combining Statement of Revenues, Expenses and Changes in Net Assets	103
Combining Statement of Cash Flows	104

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Assets	105
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds	106
Combining Statement of Changes in Assets and Liabilities - Agency Funds	107

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Schedule by Source	108
Schedule by Function and Activity	109
Schedule of Changes by Function and Activity	110

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

Schedule of General Long-Term Debt	111
--	-----

CITY OF ST. CHARLES, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
SUPPLEMENTAL FINANCIAL INFORMATION	
General Corporate Fund	
Balance Sheet	112
Schedule of Detailed Expenditures - Budget and Actual	113-118
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE OF ILLINOIS PUBLIC ACT 85-1142	119
STATISTICAL SECTION	
Government-Wide Information	
Government-Wide Revenues	120
Government-Wide Expenses by Function.....	121
Fund Information	
General Corporate Fund Revenues by Source -	
Last Ten Fiscal Years.....	122
Selected General Governmental Expenditures by Function -	
Last Ten Fiscal Years.....	123
Property Tax Extensions and Collections -	
Last Ten Fiscal Years.....	124
Tax Rates and Tax Extensions (Excluding Special Service Areas) -	
Last Ten Tax Years	125
Comparative Assessed Valuation - Last Ten Levy Years	126
Equalized Assessed Value and Estimated Market Value - All Taxable	
Property - Last Ten Levy Years	127
Property Tax Rates - All Direct and Overlapping Governments -	
Last Ten Tax Years	128
Tax Levy Extensions - All Direct and Overlapping Governments -	
Last Ten Tax Years	129
Typical Total Tax Rate (Per \$100 Equalized Assessed Value).....	130
Ratio of General Bonded Debt to Assessed Value and Net	
Bonded Debt Per Capita - Last Ten Fiscal Years.....	131
Computation of Direct and Overlapping Debt	132
Ratio of Annual Debt Service General Bonded Debt to	
Total General Expenditures - Last Ten Fiscal Years	133

CITY OF ST. CHARLES, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION (Continued)	
Fund Information (Continued)	
Revenue Bond Coverage - Last Ten Fiscal Years.....	134
Insurance Coverage	135
Demographic Statistics - Last Ten Fiscal Years	136
Property Value and Construction -	
Last Ten Fiscal Years.....	137
Equalized Assessed Valuation of Major Taxpayers.....	138
Miscellaneous Statistics	139

Officers and Officials

Mayor

Susan L. Klinkhamer

City Administrator

Larry W. Maholland

City Council

Dan P. Stellato *Ward 1*
Ron S. Silkaitis *Ward 1*
Arthur J. Lemke *Ward 2*
Betsy E. Penny *Ward 2*
John M. McGuirk *Ward 3*

Donald P. DeWitte *Ward 3*
Jo K. Krieger *Ward 4*
James E. Martin *Ward 4*
David W. Richards *Ward 5*
Peter H. Grathoff *Ward 5*

City Treasurer

Phillip J. Held

City Clerk

Kristie A. Nephew

City Attorney

Timothy P. O'Neil

Department Heads

Pamela L. Colby
Director of Finance

Robert A. Hupp
Director of Community Development

Margaret A. Forster
Director of Information Systems

Kathy A. Livernois
Director of Human Resources

Mark W. Koenen
Director of Public Works

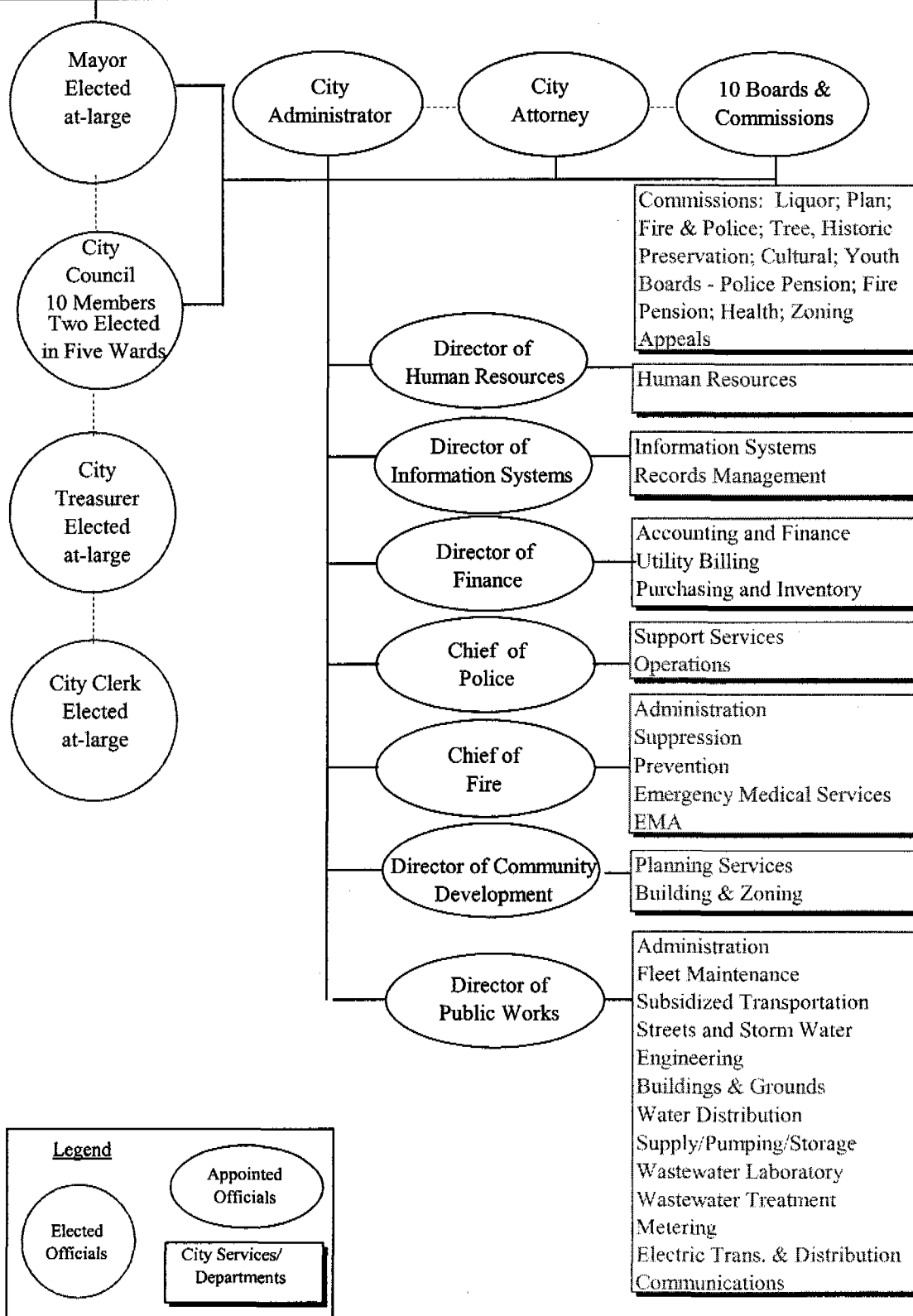
Alan J. Schullo
Chief of Fire

James E. Lamkin
Chief of Police

City of St. Charles

Organizational Chart

Citizens of St. Charles



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Charles,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

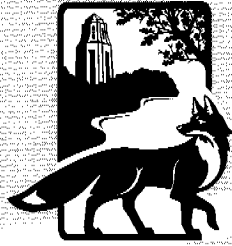


Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director



ST. CHARLES
SINCE 1834

October 30, 2005

To: The Mayor, Members of the City Council and the citizens of the City of St. Charles:

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of St. Charles, for the fiscal year ended April 30, 2005, is submitted herewith. This report is prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material and is reported in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, organizational chart and a list of principal officials. The financial section includes the Management Discussion and Analysis (MD&A) (which should be read in conjunction with this letter), the basic financial statements, the combining and individual fund financial statements and schedules, as well as the report of independent public accountants on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a ten-year basis.

The financial statements included in this report depict the financial position and activity presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with the generally accepted auditing standards by an independent firm of certified public accountants. Sikich Gardner and Co., LLP, a firm of licensed certified public accountants has audited the City's financial statements and has issued an unqualified opinion on the financial statements. The statements have been prepared in accordance with Statement No. 34 (Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments) of the Governmental Accounting Standards Board (GASB). The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Sikich Gardner and

SUSAN L. KLINKHAMER, Mayor
LARRY W. MAHOLLAND, City Administrator
IV

Co., LLP is to provide with reasonable assurance that the financial statements are free of material misstatements. The process involved includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The independent auditors assess the accounting principles used and include their report as the first component of the financial section.

In addition, the City participates in the Tri-City Ambulance Agency which is a cooperative agency of several separate taxing bodies, administered by a board made up of those taxing bodies, and is in an agent capacity autonomous from the City's governing council. The City provides administrative support for this agency. The City also acts as lead agency for a cooperative Transportation Fund, which receives funding from various governmental agencies, and its financial activity is also reflected in this report.

Profile of the City

The City, incorporated as a town in 1853 and as a City in 1874, is located approximately thirty-four miles west of Chicago with a land area of approximately 16.4 square miles. St. Charles' city government is divided into five wards, with two alderpersons elected from each ward and a mayor elected at large to a four-year term. The internal operations of St. Charles are led by a city administrator and divided among eight departments, including Finance, Human Resources, Information Systems, Economic Development, Community Development, Public Works, Police, and Fire. The City became a home rule community in 1995 due to a special census count conducted in 1994, which resulted in a population count of 25,282. The City now has greater local authority to regulate and finance its operations. A Special Census, completed in August 2003 reflects the City of St. Charles population of 31,834.

St. Charles is known as one of Chicagoland's premier communities, having earned a strong reputation for quality municipal services, low utility costs, and accessibility to a wide range of national markets. St. Charles remains a logical choice for businesses: ranked 19th in the state for the number of manufacturing employers and noted as the 19th largest suburban retail market for total sales.

The 2003 special census counted 31,834 residents with 17,000 of a working age (16+ years), and the City is home to over 23,000 jobs — an illustration that we import many workers to our 1600+ businesses. With the location of the Pheasant Run Resort/Spa and 9 additional hotels, Charlestowne Mall, the DuPage County Airport, the Kane County Fairgrounds, and the Q Center — St. Charles remains a destination for work and play!

The 100,000+ people that visit our Scarecrow Festival each fall are just the start! We're a destination for business training and small conventions with the Advanced Center for Training, the Q Center, and now the new 25,000 square foot (square feet) DuPage Expo Center which is currently undergoing the final phases of construction across the street from Pheasant Run Resort/Spa (4051 E. Main St).

Office Expansion

In 2004, 42 new office/medical businesses opened in St. Charles. Demand for office space remained strong throughout the year. A total of 58 requests for information regarding office space were made to the City's Community/Economic Development Department in 2004. These inquiries were from both new business ventures and existing businesses wishing to stay and relocate or expand in St. Charles.

Though St. Charles is not the county seat, the activity in the government sector was notable in 2004. The Tri-City Dispatch Center (Tri-Com) is being built on the City's west side, plus various other governmental agencies opened office space.

Office space needs are being met by both renovation of existing buildings and construction of new buildings: The three buildings known as the North Avenue Business Park were left vacant in 2003 with the departure of Arthur Andersen, however in 2004, two buildings sold and each is filling with tenants.

At the intersection of Illinois and 5th Avenues (Route 25), the *Heritage Square* project is an admired addition to our downtown. Phase Two at 405 Illinois Ave has added 6,923 square feet of office space. Three units ranging from 1,450-1,590 square feet are available for lease.

Approximately 71,239 square feet has been leased at the *Wind Hill Office Park* at 2315-2325 Dean Street; units ranging from 1,227-3,500 square feet remain available. Construction is underway at *The Courtyards of St. Charles* at 451 Dunham Road and will add 37,643 square feet of new office space. Office condominiums are being built at the *Tyler Road & Route 64 Business Park* adjacent the Al Piemonte Cadillac Dealership, and are expected to sell quickly.

Retail Growth

Although St. Charles experienced a net loss of 10 retailers in 2004, retail activity remained strong with an investment of approximately \$6.3 million. Most notable was the opening of Butera Market (2732 E. Main Street) & La Huerta (580 S. Randall Road) grocery stores. Al Piemonte Cadillac located at 1611 E. Main Street opened in April of 2005. Other auto dealerships invested over \$3 million in property improvements in 2004.

Construction and interest on our west side remained strong in 2004. At the Tri-City Shopping Center (Route 38/Lincoln Highway and Randall Road), Taco Bell moved into their new restaurant and Suburban Tire has begun construction at their new facility. 7-Eleven moved to a neighboring site at 51 S. Randall Road in preparation for the Randall Road/Route 64 widening project.

The City was concerned in 2003 when General Mills left the City after 36 years of operation; yet, the property was sold 5 months later. The bulk of the building is operated as warehouse by the Jacobsen Companies, and the front 5 acres has now been approved for the *West Towne Market*. Three new buildings of retail are planned for a total of 49,000 square feet. One building will be designated for mixed-use retail, the other a freestanding building with a drive-through, and the third will be a two story professional retail or office use building. Construction is underway.

Total construction cost investment in 2004 equated to \$85,945,051 (includes residential, commercial, industrial, and others). Total square footage of new commercial/industrial buildings in 2004 equated to \$371,776 with a value of \$20,274,004).

Industrial Focus

A balanced economy means more than just retail opportunities for area residents. Besides creating jobs, industrial businesses purchase local goods and services and are an important customer for the City's electric utility – the constant demand they require to run their businesses allows the City to negotiate for better bulk power rates, keeping rates low for everyone. The City welcomed and assisted 11 new businesses and 10 expansions in the industrial category in 2004. Charlestown Power Equipment and Compact Industries were the largest industrial projects this year.

Developers continue to meet the need for industrial space by providing affordable property. Construction of condominium flex space continued at a good pace in the City with 23 units filled by new and/or expanding tenants; much of this space is on the City's east side on Wallace and Sidwell. Construction is underway for additional buildings at 602 Sidwell Court, 1515 Wallace Avenue, and ten new condo units at 3540 Stern Road. On the west side, Mustang Construction broke ground on the 5th multi-tenant building in the Foundry Business Park as the first 4 buildings filled. In the new building will be 32 units for lease, starting at 2,000 square feet and up.

Outlook/Future Developments

Zylstra Center – SW Corner Randall Road & Route 64 - Work has begun at the site of the future Zylstra Harley Davidson dealership, located within the Zylstra Center at the Southwest corner of Randall Road & Route 64. The Center encompasses 37 acres. The dealership will include a 52,000 square-foot building that will accommodate motorcycle sales and service, as well as an area for clothing and accessories. Additional space around the new dealership is available (1 to 13 acre lots) suitable for retail and/or restaurants.

First Street Redevelopment Project - The goal of this redevelopment project is to create a “financially viable pedestrian-oriented shopping district” which would execute the vision of the First Street Design and Development Guidelines, as adopted by the City in 2002. Highlights of this future development include:

- \$120 Million public project
- 400,000 square feet retail, office, and residential redevelopment
- 78 condos, 34 rental apartments., 59,000 square feet office (upper floor), 88,000 square feet retail (first floor).
- Parking Garages: two for a total of 780 car capacity
- First Street. widened for diagonal street parking
- One-half acre plaza area to river behind Main Street Buildings
- Riverfront pedestrian walkway plaza to Illinois Avenue
- Walkways over First Street linking east buildings to parking deck
- Relocating and expansion of the Blue Goose within the development (30,500 square feet)
- Submitted to planning commission on September 20, 2005
- Permit process beginning Fall of 2005

- Construction to begin Spring of 2006

Regole Property – East side of Kirk Road near Route 64 - City staff is negotiating the final details of the annexation agreement with Hemmer Companies for the 35-acre industrial/office/retail development on the east side of Kirk Road, adjacent to the east side sports center. Developers anticipate beginning construction in the Fall of 2005.

River Corridor Plan - The City of St. Charles, the Downtown St. Charles Partnership, the St. Charles Park District, and the River Corridor Foundation are cooperatively working to encourage the redevelopment of the River Corridor. Initiated in 2002, the River Corridor Master Plan was the end result of extensive public discussion and input from residents, civic groups, business leaders and government participants, who articulated an exciting strategy for the redevelopment of the Fox River corridor in downtown St. Charles. This project is designed to help the Fox River once again become an economic benefit and even greater source of enjoyment while ensuring that the environmental health and well being of the River is maintained and enhanced. With the Fox River as its focus, the River Corridor's mission is to create a lively downtown riverfront environment — community centerpieces — where residents and visitors can live, work, shop, dine, and play.

The first of several improvement opportunities is taking place at the River North Gateway. Stretching from Boy Scout Island to the pedestrian bridge along the west side of the Fox River, this area has been adopted by the St. Charles Noon Kiwanis Club. Travelers along Route 31 will be properly welcomed to the city courtesy of new signage and lush landscaping, while those traveling on foot will be able to easily access the river via a new stairway connecting the pedestrian bridge to the walkway along Route 31.

Major Road Improvements

Randall Road & Route 64 - Kane County is in the bidding process for the Randall Road & Route 64 improvements project. This project includes the widening of Randall Road from 4 to 6 lanes including dual left turn lanes and single right turn lanes at all approaches at Route 64 and Randall Road. The project will include a landscaped median on Randall Road along with traffic signal modernization at Randall Road/Dean Street and at Randall Road/Route 64. Continuous roadway lighting will also be included for better visibility at night.

Red Gate Bridge - The City is proceeding with the preliminary phase-one engineering for a river crossing, located between the intersection of Route 31 and Red Gate Road, extending easterly across the river and intersecting at Route 25, just south of Pinelands Road. The phase-one study will take approximately two years for approval. Then, phase-two engineering will produce actual final construction drawings from which the project will be built. It is too early in the project to predict a construction start date.

Route 64 Widening Projects - Two widening projects on Route 64 are currently active: widening to 6 lanes from Route 59 to Kautz Road, and the construction of a center turn lane from 7th Avenue to Dunham Road as Route 64 (Main Street) is a State route, both projects are being funded by the Illinois Department of Transportation (IDOT). Unfortunately, both projects have been delayed again due to the lack of State funding. Currently these projects are funded for construction in 2010. Work

continues on the engineering so that the construction drawings will be ready when funding becomes available.

Financial Information

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, time deposits, U.S. Treasury bills, notes, U.S. Agency obligations and the Illinois State Treasurer's Pool. The City's finance department records fire pension fund investments; however, the board maintains control of these moneys independent of the City Council. The police pension fund investments are under a money manager and governed by a separate board. In addition, they maintain their own accounting and participant records. The City has a formal investment policy, which includes requirements regarding the amount it will invest in various types of securities and types of collateral it will accept. U.S. government securities and government agencies are the largest part of the City's portfolio at 58%. This calculation excludes Police or Fire Pension and restricted investments. Over 46% of the portfolio matures in less than 1 year and 54% matures in less than 4 years. The current rate of return on City investments is 2.7754% as of April 30, 2005. All City investments are categorized as Category 1 investments. This category is the lowest custodial credit risk as defined by the Governmental Accounting Standards Board. For further information on the City's investments please see the notes to the financial statements.

Risk Management. Over the past fiscal year the City built upon its previously established safety committees, by developing more focused committees, including an Administrative Safety Committee and division-wide committees in Public Works. In addition, the City routinely provides safety and accident investigations training for personnel. To further address employee safety and well-being, the City created a citywide Wellness Team. This team was created to improve employees' physical, mental, and financial health, as well as to promote safe work practices.

The City self-insures for property, casualty, and workers compensation claims. State statutes limit maximum exposure for workers compensation. A detailed listing of the City's insurance coverage is shown in the statistical section.

Other Information

Independent Audit. State of Illinois and City policy dictates that an annual audit be performed of the financial statements of the City. The City engaged the independent accounting firm of Sikich Gardner & Co., LLP to render an opinion on the financial statements. All requirements have been completed relative to the audit and the report of independent public accountants opinion has been included in the financial section of the report.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended April 30, 2005. This was the 19th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. In particular, I would like to acknowledge the work of the following Finance Department staff members:

Diana L. Erickson, Finance/Accounting Manager
Jill A. Ghiotto, City Accountant
Terry L. Barth, Jr. Accountant
Alexis D. Dries, Payroll
Megan M. Kimak, Accounting Assistant
Alpa V. Patel, Finance Specialist
Margaret A. Colburn, Office Clerk
Lynn D'Avico, Accounts Payable

In closing, I would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,



Pamela L. Colby
Finance Director



Sikich Gardner & Co, LLPTM

Accountants & Consultants

A Member of Sikich Group, LLC

998 Corporate Boulevard • Aurora, IL 60502-9102

Members of

American Institute of
Certified Public Accountants

Illinois CPA Society

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of St. Charles, Illinois

We have audited the basic financial statements of the City of St. Charles, Illinois, as of and for the year ended April 30, 2005, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the City of St. Charles, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of St. Charles, Illinois, as of April 30, 2005, and the results of its operations and cash flows of its proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2005 on our consideration of the City of St. Charles, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules and supplemental financial information as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the City of St. Charles, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

Sehuk Gardner & Co LLP

Aurora, Illinois
August 29, 2005

City of St. Charles, Illinois

Management's Discussion and Analysis

April 30, 2005

As management of the City of St. Charles (the "City"), we offer readers of the Comprehensive Annual Financial Reports (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ending April 30, 2005. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the financial position and identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of St. Charles financial section of the CAFR. The approach to our financial statements is to accommodate the current reporting requirements. The Financial Statements' focus is on both the City as a whole (governmental-wide) entity and on the major individual fund level. Both perspectives (governmental-wide and major fund) are intended to provide the reader various views of the City and provide a broader basis for comparison and enhance the City's accountability.

Governmental-Wide Financial Statements

The government-wide financial statements are designed to emulate the private sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The focus of the *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. This statement combines and consolidates its governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. This statement may serve as a useful indicator of the financial position of the City.

The *Statement of Activities* presents information showing how net assets have changed during the current fiscal year. The focus of this statement is on both the gross and net cost of governmental and business-type activities, which are supported by the City's general taxes and other revenue sources. This is intended to summarize and simplify the analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the City's basic services, including public works, police, fire, street, community development and general administration. Various tax revenues such as property taxes, State sales taxes, State income taxes, home rule sales taxes,

telecommunications and food and beverage tax are responsible for the financing of these activities. The business-type activities are reflective of the private sector-type operations, which include electric, water, sewer, and refuse, where user fees for these services typically cover all or most of the cost of these operations.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. The focus is now on major funds, rather than the previous model of fund types. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds

The Governmental Funds are used to account for essentially the same functions as are reported in the governmental activities and government-wide financial statements. The major distinction is that governmental funds provide a focus on near-term inflows and outflows of spend able resources as well as resources available at the end of the fiscal year. This information may be useful in the evaluation of the City's financing requirements.

The focus of the governmental funds is narrower than that of the government-wide financial statements; it may be useful to compare the information presented for the governmental funds with similar information presented in the governmental activities and government-wide statements. By comparing statements, users may better understand the long-term impact of the government's near-term financing decisions.

Proprietary Funds

Proprietary funds account for City services such as electric, water, sewer, and refuse, that are generally supported by user fees charged to customers. Proprietary (Enterprise) funds are used to report the same function presented in business-type activities in the government-wide financial statements only in more detail.

Electric, water and sewer funds are considered major funds of the City and are presented in a separate column in the fund financial statements. The refuse/yard waste fund is the only non-major enterprise (proprietary) fund. Proprietary fund statements, like government-wide, provide both long and short-term financial information.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government, whereby the City's role is that of trustee (i.e., Police and Fire Pension) or agent. Fiduciary funds are not reflected in the government-wide financial statements. Their assets are

restricted in purpose and do not represent discretionary assets of the government, which are not available to support the City's, own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension to its employees.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement 34 now requires that these assets be valued and reported within the governmental column of the governmental-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has elected to depreciate assets over their useful life. If a project is considered maintenance – a recurring cost that does not extend the asset's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized. The required compliance date for infrastructure reporting is by the fiscal year end 2008, however the City has completely implemented all GASB 34 requirements this fiscal year.

GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$206.3 million as of April 30, 2005. The following table reflects the condensed Statement of Net Assets:

Statement of Net Assets
As of April 30, 2005
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Assets						
Current & Other Assets	\$36.8	\$31.4	\$41.1	\$39.6	\$77.9	\$70.9
Capital Assets	113.9	110.7	98.2	90.1	212.2	200.8
Total Assets	150.8	142.1	139.3	129.7	290.1	271.7
Liabilities						
Current & Other Liabilities	15.3	13.6	5.4	3.1	20.7	16.8
Long-Term Liabilities	39.6	34.7	23.6	18.1	63.2	52.9
Total Liabilities	54.8	48.4	29.0	21.3	83.9	69.6
Net Assets						
Invested in Capital Assets, Net of Debt	90.8	92.6	75.3	72.6	166.1	165.2
Restricted	6.6	4.6	0.0	0.0	6.6	4.6
Unrestricted	(1.4)	(3.4)	35.1	35.8	33.6	32.4
Total of Net Assets	95.9	*93.7	110.4	108.4	206.3	202.1

*Net assets of the governmental activities were restated with an increase of \$68.2 million to retroactively record the capitalization of infrastructure for comparative purposes.

The deficit in unrestricted net assets is the result of tax increment financing (TIF) districts. The City has issued \$3,090,000 Taxable G.O. Bonds Series 1997 (\$2,950,000 as of April 30, 2004), \$4,200,000 G.O. Tax Increment Bonds Series 1999 (\$3,655,000 as of April 30, 2004), \$2,860,000 G. O. Bonds Series 2002 and \$4,435,000 G. O. Bonds Series 2003. These bonds did not produce a capital asset that is owned by the City, and even though the City is not generally obligated for the retirement of the debt, the bonds are nonetheless, required to be reported as a liability of the City.

Since the TIF's distort the financial position and results of operations of the ongoing operations of the City, the following table displays the City's net assets without the TIF activity, which is a better measure of the financial position of the City.

Statement of Net Assets Excluding TIF Activity
As of April 30, 2005
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Assets						
Current & Other Assets	\$35.1	\$26.8	\$41.1	\$39.6	\$76.2	\$66.4
Capital Assets	112.6	110.7	98.2	90.1	210.9	200.8
Total Assets	147.7	137.5	139.3	129.7	287.0	267.2
Liabilities						
Current & Other Liabilities	14.2	12.8	5.4	3.1	19.6	15.9
Long-Term Liabilities	26.1	20.9	23.6	18.1	49.7	39.0
Total Liabilities	40.3	33.6	29.0	21.3	69.3	54.9
Net Assets						
Invested in Capital Assets, Net of Debt	89.5	92.6	75.3	72.6	164.8	165.2
Restricted	3.7	3.3	0.0	0.0	3.7	3.3
Unrestricted	14.3	8.0	35.1	35.8	49.4	43.8
Total Net Assets	107.4	103.9	110.4	108.4	217.8	212.3

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles (excluding TIF activity), assets exceeded liabilities by \$217.8 million as of April 30, 2005. The largest portion of the City's net assets is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The second portion of the City's net assets are unrestricted assets in the amount of \$49.4 million, which can be used to finance the City's day-to-day operations. The final portion of the City's net assets in the amount of \$3.7 million represents resources that are subject to restrictions as shown below:

Net assets restricted for:

Retirement Obligations	\$77,450
Net Pension Asset	204,126
Ambulance Service	19,910
Mental Health	43,274
Special Service Areas	16,842
Community Development	1,020,062
Highways and Streets	1,856,948
Public Safety	68,502
Debt Service	343,487
Total	\$3,650,601

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the investment in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital asset and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase investment in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and investment in capital assets, net of debt.

Current Year Impacts – Net Assets

The City's combined net assets increased from \$202.1 million to \$206.3 million. Net assets of the City's governmental activities were increased by \$2.2 million during the year and ended the year at \$95.9 million.

The net assets of business-type activities increased by \$2.0 million during the year and ended the year at \$110.4 million. Unrestricted net assets, available to finance the continuing operation of its business-type activities, were \$35.1 million. Business-type activities include

electric, water, sewer, and refuse. The annual operating cost of these services for fiscal year 2005 was approximately \$43.9 million.

Changes in Net Assets
Statement of Changes in Net Assets

The following chart shows the revenue and expenses of the City's activities:

Changes in Net Assets for the Fiscal Year Ended April 30, 2005

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues						
Charges for Service	\$2.9	\$2.9	\$43.4	\$42.5	\$46.3	\$45.3
Operating Grants	1.1	0.9	0.0	0.0	1.1	0.9
Capital Grants	0.4	0.2	0.0	0.0	0.4	0.2
General Revenues						
Property Tax/ Replacement Tax	9.8	8.9	0.0	0.0	9.8	8.9
Other Taxes	23.1	20.4	0.0	0.0	23.1	20.4
Other	0.6	0.5	1.5	2.1	2.2	2.6
Transfers	(0.5)	(0.4)	0.5	0.4	0.0	0.0
Total Revenues	37.5	33.4	45.4	44.9	82.9	78.4
Expenses						
General Government	3.0	2.6	0.0	0.0	3.0	2.6
Public Health/Safety	16.8	15.2	0.0	0.0	16.8	15.2
Public Works	12.7	10.0	0.0	0.0	12.7	10.0
Comm. Develop	1.5	1.6	0.0	0.0	1.5	1.6
Interest	1.5	1.4	0.0	0.0	1.5	1.4
Electric	0.0	0.0	33.6	33.0	33.6	33.0
Water	0.0	0.0	3.8	3.4	3.8	3.4
Sewer	0.0	0.0	5.9	5.8	5.9	5.8
Refuse	0.0	0.0	0.7	0.6	0.7	0.6
Total Expenses	35.6	30.9	43.9	42.9	79.4	73.8
Changes Net Assets	1.9	2.5	1.6	2.0	3.5	4.6
Contributions	0.3	4.5	0.4	0.3	0.7	4.8
Ending Net Assets	95.9	93.7	110.4	108.4	206.3	202.1

Normal Impacts- Changes In Net Assets

There are eight basic impacts on revenues and expenses as reflected below.

Revenues:

Economic Condition – which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales and utility tax revenues as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in City-Approved Rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (property taxes, electric, water, sewer, building fees, home rule sales tax, food and beverage tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring) – certain recurring revenues (State-shared revenues, etc.) may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment Income - the City's investment portfolio is managed using a similar average maturity to most governments. Market and current economic conditions may cause investment income to fluctuate.

Expenses:

Introduction of New Programs – within the functional expense categories (General Government, Public Health & Safety, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing.

Salary Increases – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases.

Governmental Activities

Revenue:

Total revenues increased from \$33.4 million to \$37.5 million. The governmental activities program revenues increased \$.4 million from \$4.0 to \$4.4 million. Charges for services remained constant, whereas there was an increase of \$.4 million from grants. The governmental activities general revenues increased \$3.8 million from \$29.8 to \$33.6 million.

Sales and use taxes increased \$2.7 million (one factor in the increase was that the City increased their home rule tax from .5% to 1% effective July 2004). Other taxes combined had a modest increase of \$.03 million (Food and Beverage decreased by \$.4 million because the City went from a 1% to .5% tax), Hotel Tax increased by \$.3 million, Telecommunication Tax decreased by \$.3 million and State Shared Income Tax revenues increased by \$.4 million). Property tax increased \$.9 million. While the property tax rate for the City remained steady, new construction in the area increased the total of the City's Equalized Assessed Value (EAV) 7.52%. The City received \$.3 million in capital contributions compared to \$4.5 million last year.

Equalized Assessed Valuation

	Property in Kane County	Property in Dupage County	Total
Levy Year			
2003	\$1,153,335,587	\$29,490,119	\$1,182,825,706
2004	1,213,855,898	33,663,169	1,247,519,067
Increase:	\$60,030,094	\$4,173,050	\$64,203,144

	Fiscal Year 2005	Fiscal Year 2004	Revenue Increase
State-Shared Tax			
Sales Tax	\$9,531,359	\$9,328,133	2.18%
Income Tax	2,155,151	1,769,025	21.83%
Total:	11,686,510	11,097,158	

Total expenses increased by \$4.7 million from \$30.9 million to \$35.6 million. The \$35.6 consists of actual expenditures for the general government fund and other governmental funds (\$40.1 million), the amount of the capital assets subtracted out (\$5.1 million), the amount of depreciation added (\$2.2 million), plus the net loss of the internal service funds (\$.05 million), less the change in long-term debt and compensated absences (\$1.6 million).

Business Type Activities

Revenues:

Revenues from business-type activities increased by \$.9 million from \$42.5 to \$43.4 million. Electric and Sewer rates were increased 3% during the year. Water rates remained the same.

Expenses:

Operating expenses from all business-type activities increased by \$1.0 million from \$42.9 to \$43.9 million, which is a 2.3% increase from the prior fiscal year.

Once again, it needs to be mentioned that the inclusion of the TIF district distorts the results of operations of the governmental activities. In the current year the TIF's had revenue of \$.9 million, on the expense side we recognized interest expense of \$.7 million and project related expenses of \$1.5 million. Removing this activity from the governmental activities results in the following:

**Changes in Net Assets Excluding TIF Activity
For the Fiscal Year Ended April 30, 2005
(In Millions)**

	Governmental Activities		Business-Type Activities		Total Primary Activities	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues						
Charges for Service	\$2.9	\$2.8	\$43.4	\$42.5	\$46.3	\$45.3
Operating Grants	1.0	0.9	0.0	0.0	1.0	0.9
Capital Grants	0.4	0.2	0.0	0.0	0.4	0.2
General Revenues						
Property Tax/ Replacement Tax	9.3	8.4	0.0	0.0	9.3	8.4
Other Taxes	23.1	20.4	0.0	0.0	23.1	20.4
Other	0.6	0.5	1.5	2.1	2.1	2.6
Transfers	(0.6)	(0.4)	0.5	0.4	(0.1)	0.0
Total Revenues	36.6	32.9	45.4	44.9	82.0	77.8
Expenses						
General Government	3.0	2.6	0.0	0.0	3.0	2.6
Public Health/Safety	16.8	15.2	0.0	0.0	16.8	15.2
Public Works	11.2	9.2	0.0	0.0	11.2	9.2
Comm. Develop	1.5	1.6	0.0	0.0	1.5	1.6
Interest	0.9	0.9	0.0	0.0	0.9	0.9
Electric	0.0	0.0	33.6	33.0	33.6	33.0
Water	0.0	0.0	3.8	3.4	3.8	3.4
Sewer	0.0	0.0	5.9	5.8	5.9	5.8
Refuse	0.0	0.0	0.7	0.6	0.7	0.6
Total Expenses	33.4	29.5	43.9	42.9	77.3	72.4
Changes Net Assets	3.2	3.4	1.6	2.0	4.7	5.4
Contributions	0.3	4.5	0.4	0.3	0.7	4.8
Ending Net Assets	107.4	103.9	110.4	108.4	217.8	212.3

FINANCIAL ANALYSIS OF THE FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For the fiscal year ended April 30, 2005 the Governmental Funds reported a combined ending fund balance of \$18.3 million. This represents an increase of \$3.9 million over the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$14.1 million, while total fund balance reached \$15.7 million. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 48.1 percent of the total General Fund expenditures, while total fund balance represents 53.6 percent of that same amount.

General Fund Budgetary Highlights For the Fiscal Year Ended April 30, 2005

	Original Budget	Amended Budget	Actual
Revenues/Other Sources			
Taxes	\$30,822,378	\$30,737,075	\$32,303,224
Licenses & Permits	585,768	587,768	773,173
Charges for Services	1,597,464	1,585,464	1,763,414
Other	961,875	1,161,749	901,415
Issuance of Bonds/ Installment Proceeds	4,400,000	838,210	717,573
Total Revenues	38,367,485	34,910,266	36,458,799
Expenditures/Transfers			
General Government	3,347,227	2,945,212	2,548,576
Public Health/Safety	16,875,504	17,150,855	16,354,924
Public Works	9,552,689	9,097,998	8,654,350
Comm. Develop	1,834,835	1,841,519	1,542,692
Debt Service	172,228	207,228	207,228
Transfers	2,762,742	3,024,820	2,905,867
Total Expenditures	34,545,225	34,269,380	32,213,637
Change in Fund Balance	3,822,260	642,634	4,245,162

The fund balance of the City's General Fund increased by \$4,245,162 during the current fiscal year. The positive General Fund results were attributable primarily to the fact that General Fund revenues exceeded expectations by \$1,548,533 and expenditures were less than the final budget by \$2,055,743.

Budgetary Controls and Revisions. The City's budgetary operations are governed by the Budget Law as provided for in the Illinois Compiled Statutes and are administered by the Director of Finance. Under the Budget Law no appropriation is required to be passed and an annual budget must be adopted prior to the year funds will be expended.

Budgets are based upon anticipated cash needs for specifically identified projects and ongoing activities. Budget amendments require the approval by a two-thirds vote of the City Council; however, no revision of the budget shall be made increasing the budget in the event funds are not available to effectuate the purpose of the revision. Some of the larger increases in the budget for fiscal year 2004 included the purchase of property for \$3,800,000. The more significant decrease to the budget was an anticipated land purchase, which was not completed by fiscal year end.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The City's accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Government Operations Committee and City Council.

CAPITAL ASSETS

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2005 amounts to \$212,193,064 (net of accumulated depreciation). The capital assets include land, buildings, equipment, and improvements other than buildings, underground systems, infrastructure and construction in progress. This amount represents a net increase (including additions and deductions) of \$11,398,572.

Capital Assets As of April 30, 2005

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land & Right Away	\$51.9	\$50.8	\$0.6	\$0.6	\$52.5	\$51.4
Construction in Progress	2.4	0.2	11.6	3.9	14.0	4.0
Bldgs. and Improvements	27.5	25.7	133.4	128.9	160.9	154.7
Infrastructure	67.3	67.1	0.0	0.0	67.3	67.1
Machinery, Vehicles and Equipment	10.4	10.0	10.2	10.1	20.6	20.1
Less:						
Accumulated Depreciation	(45.5)	(43.1)	(57.6)	(53.4)	(103.1)	(96.5)
Total:	113.9	110.7	98.2	90.1	212.2	200.8

Major capital asset events during 2005 included the following:

- Century Station renovation for \$1,713,000.
- Property for First Street Project was purchased for \$1,047,318.
- Electric System Improvements costs were \$4,076,160.
- Public Works Garage Project had costs of \$1,496,024.
- WWTP Nitrification Project had costs of \$6,133,044.
- WWTP Eastside Improvements costs were \$1,020,511.

For further information regarding the City's capital assets, see note 5 in the notes to the financial statements.

DEBT OUTSTANDING

At the end of the fiscal year, the City had total debt outstanding of \$59,571,927 (excluding compensated absences and net pension obligations). Of this amount, \$28,615,000 comprises general obligation bonds backed by the full faith and credit of the City of St. Charles. The City also issues bonds and notes where it pledges incremental tax income derived from a separately created tax increment financing (TIF) districts, which amounts to \$13,520,000. In addition the City has \$16,516,304 in IEPA loans and \$920,623 in installment contracts. For information regarding the City's debt, see note 6 in the notes to the financial statements.

In the current fiscal year, the City has issued bonds in the amount of \$6,375,000 for the municipal building expansion and renovation.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's composition is primarily residential with a smaller commercial component. The property tax revenue derived from the residential, commercial, and industrial properties is exceedingly stable. Investment income has declined slightly; we have chosen to invest cautiously to maintain a stable return. Sales tax revenues, however, continued to increase during the year due to commercial development, increased retail sales and an increase in home rule tax.

The unemployment rate for the City is currently 7.4%, which is an increase from a rate of 6.0% at the end of the prior fiscal year.

The fiscal year 2005 budget includes an increase in property tax revenues, due to the expected increase in equalized assessed value (EAV), however, the City is not expected to increase the property tax rate. Sales tax revenue is expected to increase due to the July 1, 2004 increase in Home Rule tax of .5% to a total Home Rule tax rate of 1%, however, a further decline in other state revenues are expected due to the economic conditions. A three-year increase in electric and sewer rates is anticipated. This is the first increase in these rates since 2002.

Budgeted expenditures include increases due to salary adjustments, which are part of employee labor agreements as well as health and liability insurance costs. Pension costs are

also expected to increase due to the general decline in investment income throughout the country, increased staffing in Public Health and Safety and recent pension enhancements. Capital projects such as renovations to the public works complex, remodeling of a newly purchased building for fire services and administration and wastewater plant nitrification improvements are all planned for the next fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, and creditors with a general overview of the City of St. Charles finances and to demonstrate the accountability of the money it receives. Questions concerning this report or requests for additional financial information should be directed to Pamela L. Colby, Director of Finance, City of St. Charles, 2 E. Main St., St. Charles, Illinois 60174, 630-377-4478, pcolby@stcharlesil.gov.

City of St. Charles, Illinois

Statement of Net Assets

April 30, 2005

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 17,827,471	\$ 34,140,000	\$ 51,967,471
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	10,355,427	-	10,355,427
Accounts Receivable	13,568	3,597,649	3,611,217
Accrued Interest on Investments	64,583	163,270	227,853
Miscellaneous	423,954	119,472	543,426
Prepaid Items	162,245	-	162,245
Due from Other Governments	4,424,358	905,604	5,329,962
Inventory	2,772,088	40,000	2,812,088
Restricted Cash and Investments	428,627	2,132,571	2,561,198
Deferred Charges	145,376	-	145,376
Capital Assets Not Being Depreciated	54,277,431	12,186,958	66,464,389
Capital Assets (Net of Accumulated Depreciation)	59,666,618	86,062,058	145,728,676
Net Pension Asset	204,126	-	204,126
Total Assets	150,765,872	139,347,582	290,113,454
LIABILITIES			
Accounts Payable	2,144,412	3,629,709	5,774,121
Claims Payable	1,075,634	336,438	1,412,072
Contracts Payable	64,828	883,175	948,003
Accrued Salaries	325,903	77,122	403,025
Accrued Interest Payable	637,194	180,069	817,263
Escrows and Refundable Deposits	436,721	266,756	703,477
Deferred Revenue			
Property Taxes	10,355,427	-	10,355,427
Other Deferred Revenue	248,253	-	248,253
Long-Term Liabilities			
Due Within One Year	4,917,675	1,728,321	6,645,996
Due in More than One Year	34,721,589	21,907,223	56,628,812
Unamortized Bond Discount	(85,468)	(16,538)	(102,006)
Total Liabilities	54,842,168	28,992,275	83,834,443
NET ASSETS			
Invested in Capital Assets Net of Related Debt	90,799,534	75,257,744	166,057,278
Restricted For:			
Specific Purposes	5,837,420	-	5,837,420
Debt Service	725,783	-	725,783
Unrestricted (Deficit)	(1,439,033)	35,097,563	33,658,530
Total Net Assets	\$95,923,704	\$110,355,307	\$206,279,011

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2005

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
Primary Government				
Governmental Activities				
General Government	\$ 2,956,654	\$ 408,211	\$ -	\$ -
Public Health and Safety	16,838,854	1,590,371	35,471	64,679
Public Works	12,678,531	136,893	962,385	294,727
Community Development	1,544,190	785,864	101,639	-
Interest	1,538,765	-	-	-
Total Governmental Activities	35,556,994	2,921,339	1,099,495	359,406
Business-Type Activities				
Electric	33,562,224	34,604,347	-	-
Water	3,754,829	2,946,010	-	-
Sewer	5,889,733	5,397,512	-	-
Refuse	663,533	474,387	-	-
Total Business-Type Activities	43,870,319	43,422,256	-	-
Total Primary Government	\$ 79,427,313	\$ 46,343,595	\$ 1,099,495	\$ 359,406

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2005

	<u>Net (Expense) Revenue and Change in Net Assets</u>		
	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
	\$ (2,548,443)	\$ -	\$ (2,548,443)
	(15,148,333)	-	(15,148,333)
	(11,284,526)	-	(11,284,526)
	(656,687)	-	(656,687)
	(1,538,765)	-	(1,538,765)
	(31,176,754)	-	(31,176,754)
	-	1,042,123	1,042,123
	-	(808,819)	(808,819)
	-	(492,221)	(492,221)
	-	(189,146)	(189,146)
	-	(448,063)	(448,063)
	(31,176,754)	(448,063)	(31,624,817)
General Revenues			
Taxes			
Property	9,711,044	-	9,711,044
Personal Property Replacement	68,379	-	68,379
Municipal Sales and Use	15,248,168	-	15,248,168
Electric Franchise Fee	1,614,553	-	1,614,553
Food and Beverage	692,047	-	692,047
Hotel Occupation	1,684,926	-	1,684,926
Telecommunications Fee	1,619,756	-	1,619,756
State Income	2,155,151	-	2,155,151
Other	123,493	-	123,493
Investment Income	220,649	516,990	737,639
Connection Charges	-	567,281	567,281
Miscellaneous	419,899	325,269	745,168
Gain (Loss) on Sale of Capital Assets	-	107,855	107,855
Contributions	291,037	429,650	720,687
Transfers In (Out)	(457,401)	457,401	-
Total	33,391,701	2,404,446	35,796,147
Change in Net Assets	2,214,947	1,956,383	4,171,330
Net Assets, May 1	25,486,441	108,449,308	133,935,749
Prior Period Adjustments	68,222,316	(50,384)	68,171,932
Net Assets, May 1, Restated	93,708,757	108,398,924	202,107,681
Net Assets, April 30	\$ 95,923,704	\$ 110,355,307	\$ 206,279,011

See accompanying notes to financial statements.

City of St. Charles, Illinois

Balance Sheet

Governmental Funds

April 30, 2005

	<u>General</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 9,193,103	\$ 6,445,563	\$15,638,666
Receivables			
Property Taxes	9,772,382	583,045	10,355,427
Accounts Receivable	-	13,568	13,568
Accrued Interest on Investments	60,492	1,919	62,411
Miscellaneous, net	414,779	-	414,779
Prepaid Items	151,148	-	151,148
Due from Other Funds	2,579,425	-	2,579,425
Due from Other Governments	4,054,051	370,307	4,424,358
Advances to Other Funds	883,347	235,173	1,118,520
Restricted Cash and Investments	428,627	-	428,627
TOTAL ASSETS	\$27,537,354	\$ 7,649,575	\$35,186,929
LIABILITIES			
Accounts Payable	\$ 1,061,967	\$ 985,680	\$ 2,047,647
Contracts Payable	-	64,828	64,828
Accrued Salaries	311,083	1,769	312,852
Escrows and Refundable Deposits	436,721	-	436,721
Due to Other Funds	-	2,579,425	2,579,425
Advances From Other Funds	-	883,347	883,347
Deferred Revenue			
Property Taxes	9,772,382	583,045	10,355,427
Other Deferred Revenue	248,253	-	248,253
Total Liabilities	11,830,406	5,098,094	16,928,500
FUND BALANCES			
Reserved for Retirement Obligations	77,450	-	77,450
Reserved for Ambulance Service	19,910	-	19,910
Reserved for Mental Health	43,274	-	43,274
Reserved for Special Service Areas	16,842	-	16,842
Reserved for Prepaid Items	151,148	-	151,148
Reserved for Capital Outlay	428,627	-	428,627
Reserved for Advances to Other Funds	883,347	235,173	1,118,520
Reserved for Community Development	-	3,550,368	3,550,368
Reserved for Highways and Streets	-	1,856,948	1,856,948
Reserved for Public Safety	-	68,502	68,502
Reserved for Debt Service	-	490,610	490,610
Unreserved			
Undesignated - General Fund	14,086,350	-	14,086,350
Undesignated (Deficit) - Special Revenue Funds	-	(884,548)	(884,548)
Undesignated (Deficit) - Capital Project Funds	-	(2,765,572)	(2,765,572)
Total Fund Balances	15,706,948	2,551,481	18,258,429
TOTAL LIABILITIES AND FUND BALANCES	\$27,537,354	\$ 7,649,575	\$35,186,929

See accompanying notes to financial statements.

City of St. Charles, Illinois

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Assets

For the Year Ended April 30, 2005

Fund Balances of Governmental Funds	\$ 18,258,429
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	111,126,835
Long-term liabilities, including bonds payable and installment contracts payable, are not due and payable in the current period and therefore, are not reported in the governmental funds	(40,121,450)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	6,310,388
Unamortized bond issuance costs are reported as an asset on the statement of net assets but are shown as an expenditure in the governmental funds	145,376
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	<u>204,126</u>
Net Assets of Governmental Activities	<u>\$ 95,923,704</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended April 30, 2005

	<u>General</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property Taxes	\$ 9,231,770	\$ 479,274	\$ 9,711,044
Personal Property Replacement Taxes	68,379	-	68,379
Municipal Sales and Use Taxes	15,217,706	30,462	15,248,168
Electric Franchise Fee	1,614,553	-	1,614,553
Food and Beverage Tax	692,047	-	692,047
Hotel Occupations Tax	1,637,380	47,546	1,684,926
Telecommunications Fee	1,619,756	-	1,619,756
Admissions Tax	66,482	-	66,482
Licenses and Permits	773,173	-	773,173
Fines and Court Fees	256,476	-	256,476
Grants	100,149	396,366	496,515
Illinois State Income Tax Allotments	2,155,151	-	2,155,151
Motor Fuel Tax Allotments	-	962,385	962,385
Charges to Other Governmental Units	-	64,669	64,669
Charges for Current Services	1,763,414	24,049	1,787,463
Regional Transportation Authority Reimbursements	-	21,363	21,363
Investment Income	112,696	107,953	220,649
Miscellaneous	432,094	63,011	495,105
Total Revenues	35,741,226	2,197,078	37,938,304
Expenditures:			
Current-			
General Government	2,548,576	183,396	2,731,972
Public Health and Safety	16,354,924	515,159	16,870,083
Public Works	8,654,350	3,002,629	11,656,979
Community Development	1,542,692	-	1,542,692
Debt Service-			
Principal	175,362	1,671,131	1,846,493
Interest and Fiscal Charges	31,866	1,461,997	1,493,863
Capital Outlay	-	3,917,320	3,917,320
Total Expenditures	29,307,770	10,751,632	40,059,402
Excess (Deficiency) of Revenues Over Expenditures	6,433,456	(8,554,554)	(2,121,098)
Other Financing Sources (Uses):			
Issuance of Bonds	600,000	5,775,000	6,375,000
Discount on Bonds	(5,402)	(51,055)	(56,457)
Issuance of Installment Contracts	122,975	-	122,975
Transfers In	1,749	3,136,599	3,138,348
Transfers Out	(2,907,616)	(675,711)	(3,583,327)
Total Other Financing Sources (Uses)	(2,188,294)	8,184,833	5,996,539
Net Change in Fund Balances	4,245,162	(369,721)	3,875,441
Fund Balance, May 1	11,461,786	2,921,202	14,382,988
Fund Balance, April 30	\$15,706,948	\$ 2,551,481	\$18,258,429

See accompanying notes to financial statements.

City of St. Charles, Illinois

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Governmental Activities in the Statement of Activities

For the Year Ended April 30, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ 3,875,441
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	5,136,423
Contributions of capital assets are reported only in the statement of activities	291,037
The issuance of long-term debt is reported as another financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(6,497,975)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,846,493
The change in compensated absences is a reduction of expenses on the statement of activities	(221,029)
The discount on bonds issued is an other financing use in governmental funds but is amortized on the statement of activities	56,457
The amortization of bond discount is not reported as an expenditure in governmental funds	(1,527)
The bond issuance costs are an expenditure on the governmental funds but are amortized on the statement of activities	58,476
The change in accrued interest payable is a reduction of expenses in the statement of activities	(43,375)
Some expenses in the statement of activities (e.g. depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(2,232,019)
The addition (reduction) in net assets of certain activities of internal service funds is included in governmental funds	(58,127)
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	<u>4,672</u>
Change in Net Assets of Governmental Activities	<u>\$ 2,214,947</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Net Assets

Proprietary Funds

April 30, 2005

	Business Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Funds
Current Assets						
Cash and Investments	\$12,678,478	\$11,680,419	\$ 9,690,857	\$ 90,246	\$ 34,140,000	\$ 2,188,805
Receivables-						
Billed	626,895	90,523	217,573	23,316	958,307	-
Unbilled	2,068,996	191,405	381,987	36,712	2,679,100	-
Allowance for Doubtful Accounts	(33,758)	(2,000)	(3,000)	(1,000)	(39,758)	-
Accrued Interest on Investments	77,017	51,229	35,024	-	163,270	2,172
Miscellaneous, net	49,268	7,775	62,429	-	119,472	9,175
	2,788,418	338,932	694,013	59,028	3,880,391	11,347
Restricted Investments	2,132,571	-	-	-	2,132,571	-
Prepaid Items	-	-	-	-	-	11,097
Due From Other Governments	-	-	905,604	-	905,604	-
Inventory	40,000	-	-	-	40,000	2,772,088
Total Current Assets	17,639,467	12,019,351	11,290,474	149,274	38,965,995	4,983,337
Capital Assets						
Capital Assets Not Being Depreciated	1,666,586	391,284	10,129,088	-	12,186,958	-
Capital Assets Being Depreciated	77,619,716	25,058,506	40,848,540	150,390	143,677,152	6,061,329
Accumulated Depreciation	(27,008,849)	(12,411,260)	(18,115,018)	(79,967)	(57,615,094)	(3,244,116)
Net Capital Assets	52,277,453	13,038,530	32,862,610	70,423	98,249,016	2,817,213
Total Assets	69,916,920	25,057,881	44,153,084	219,697	137,215,011	7,800,550
Current Liabilities						
Accounts Payable	2,982,081	48,474	508,579	90,575	3,629,709	96,765
Claims Payable	3,992	207,659	124,787	-	336,438	1,075,634
Contracts Payable	-	-	883,175	-	883,175	-
Accrued Salaries	40,143	17,588	18,684	707	77,122	13,051
Accrued Interest Payable	105,001	-	75,068	-	180,069	-
Customer Deposits	266,756	-	-	-	266,756	-
Advances from Other Funds	-	-	-	-	-	235,173
Accrued Compensated Absences	263,765	190,522	189,985	-	644,272	69,539
General Obligation Bonds Payable	455,654	-	-	-	455,654	-
IEPA Loan Payable	-	-	628,395	-	628,395	-
Total Current Liabilities	4,117,392	464,243	2,428,673	91,282	7,101,590	1,490,162
Long-Term Liabilities						
General Obligation Bonds Payable	5,935,454	-	-	-	5,935,454	-
Unamortized Discount on GO Bonds Payable	(16,538)	-	-	-	(16,538)	-
IEPA Loan Payable	-	-	15,971,769	-	15,971,769	-
Total Long-Term Liabilities	5,918,916	-	15,971,769	-	21,890,685	-
Total Liabilities	10,036,308	464,243	18,400,442	91,282	28,992,275	1,490,162
Net Assets						
Invested in Capital Assets Net of Related Debt	45,886,345	13,038,530	16,262,446	70,423	75,257,744	2,817,213
Unrestricted	13,994,267	11,555,108	9,490,196	57,992	35,097,563	3,493,175
Total Net Assets	\$59,880,612	\$24,593,638	\$25,752,642	\$ 128,415	\$110,355,307	\$ 6,310,388

See accompanying notes to financial statements.

City of St. Charles, Illinois

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2005

	Business Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total Enterprise Funds	Internal Service Funds
Operating Revenues:						
Charges for Services, net	\$33,412,345	\$ 2,910,145	\$ 5,374,664	\$ 474,387	\$42,171,541	\$ -
Insurance Premiums	-	-	-	-	-	3,533,653
Rental Income	-	-	-	-	-	747,040
Sale of Inventory	-	-	-	-	-	3,002,560
Miscellaneous Revenues	1,192,002	35,865	22,848	-	1,250,715	2,183,116
Total Operating Revenues	34,604,347	2,946,010	5,397,512	474,387	43,422,256	9,466,369
Operating Expenses:						
Administration	1,880,498	1,671,690	2,622,370	203,563	6,378,121	810,173
Operations	27,870,100	1,367,853	1,887,115	449,528	31,574,596	8,302,342
Provision for Depreciation	3,547,245	715,286	1,130,242	10,442	5,403,215	503,781
Total Operating Expenses	33,297,843	3,754,829	5,639,727	663,533	43,355,932	9,616,295
Operating Income (Loss)	1,306,504	(808,819)	(242,215)	(189,146)	66,324	(149,927)
Non-Operating Revenues (Expenses)						
Gain (Loss) on Sale of Property	19,910	49,269	27,515	11,161	107,855	76,958
Pole Rental	24,259	-	-	-	24,259	-
Grants	-	-	47,000	-	47,000	-
Investment Income	208,820	159,173	148,775	222	516,990	27,264
Connection Charges	114,365	172,142	280,774	-	567,281	-
Rental Income	-	26,099	1,610	8,175	35,884	-
Interest Expense	(264,381)	-	(250,006)	-	(514,387)	-
Other Income	120,803	33,059	51,789	12,475	218,126	-
Non-Operating Revenues, net	223,776	439,742	307,457	32,033	1,003,008	104,222
Net Income (Loss) Before Transfers	1,530,280	(369,077)	65,242	(157,113)	1,069,332	(45,705)
Transfers In	235,615	-	-	221,786	457,401	-
Transfers Out	-	-	-	-	-	(12,422)
Net Income (Loss)	1,765,895	(369,077)	65,242	64,673	1,526,733	(58,127)
Developer Contributions	-	395,390	34,260	-	429,650	-
Change in Net Assets	1,765,895	26,313	99,502	64,673	1,956,383	(58,127)
Net Assets, May 1	58,114,717	24,567,325	25,653,140	114,126	108,449,308	6,368,515
Prior Period Adjustments	-	-	-	(50,384)	(50,384)	-
Net Assets, May 1, Restated	58,114,717	24,567,325	25,653,140	63,742	108,398,924	6,368,515
Net Assets, April 30	\$59,880,612	\$24,593,638	\$25,752,642	\$ 128,415	\$110,355,307	\$ 6,310,388

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2005

	Business Type Activities				Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Internal Service Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 34,820,098	\$ 2,933,983	\$ 5,425,850	\$ 466,666	\$ 43,646,597
Receipts from Interfund Users	-	-	-	-	7,283,253
Receipts from Miscellaneous Revenues	145,062	59,158	53,399	20,650	278,269
Payments to Suppliers	(26,511,956)	(1,360,919)	(1,112,018)	(438,374)	(29,423,267)
Payments to Employees	(362,693)	(1,015,646)	(1,547,807)	(132,988)	(3,059,134)
Payments to Other Funds	(1,544,136)	(664,414)	(1,051,546)	(70,419)	(3,330,515)
Net Cash from Operating Activities	6,546,375	(47,838)	1,767,878	(154,465)	8,111,950
Cash Flows from Noncapital Financing Activities					
Advance from Other Funds	-	-	-	-	(26,910)
Connection Charges	114,365	172,142	280,774	-	567,281
Transfers In	235,615	-	-	221,786	457,401
Transfers Out	-	-	-	-	(12,422)
Net Cash from Noncapital Financing Activities	349,980	172,142	280,774	221,786	1,024,682
Cash Flows from Capital and Related Financing Activities					
Grants Received	-	-	47,000	-	47,000
Capital Assets Purchased	(5,372,709)	(255,393)	(7,506,231)	-	(13,134,333)
Sale of Capital Assets	19,910	49,269	27,515	11,161	107,855
Proceeds on Long-Term Debt	-	-	7,272,061	-	7,272,061
Principal Payments on Long-Term Debt	(443,869)	-	(609,187)	-	(1,053,056)
Interest Payments on Long-Term Debt	(271,051)	-	(255,307)	-	(526,358)
Net Cash from Capital and Related Financing Activities	(6,067,719)	(206,124)	(1,024,149)	11,161	(7,286,831)
Cash Flows from Investing Activities					
Purchase of Investment Securities	(2,291,676)	(2,264,653)	(985,151)	-	(5,541,480)
Proceeds from Sale and Maturities of Investment Securities	1,500,000	1,000,000	500,000	-	3,000,000
Interest Received	209,038	172,895	139,259	222	521,414
Net Cash from Investing Activities	(582,638)	(1,091,758)	(345,892)	222	(2,020,066)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 245,998	\$ (1,173,578)	\$ 678,611	\$ 78,704	\$ (170,265)
Cash and Cash Equivalents, May 1	1,672,837	2,978,785	2,168,446	11,542	6,831,610
Cash and Cash Equivalents, April 30	\$ 1,918,835	\$ 1,805,207	\$ 2,847,057	\$ 90,246	\$ 6,661,345

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2005

	Business Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Funds
Cash and Investments						
Cash and Cash Equivalents	\$ 1,918,835	\$ 1,805,207	\$ 2,847,057	\$ 90,246	\$ 6,661,345	\$ 1,591,805
Investments	12,892,214	9,875,212	6,843,800	-	29,611,226	597,000
Total Cash and Investments	\$ 14,811,049	\$ 11,680,419	\$ 9,690,857	\$ 90,246	\$ 36,272,571	\$ 2,188,805
Noncash Transactions						
Contributions of Capital Assets from Developers	\$ -	\$ 395,390	\$ 34,260	\$ -	\$ 429,650	\$ -
IEPA Loan	-	-	905,604	-	905,604	-
Total Noncash Transactions	\$ -	\$ 395,390	\$ 939,864	\$ -	\$ 1,335,254	\$ -
Cash Flows from Operating Activities						
Operating Income (Loss)	\$ 1,306,504	\$ (808,819)	\$ (242,215)	\$ (189,146)	\$ 66,324	\$ (149,927)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,547,245	715,286	1,130,242	10,442	5,403,215	503,781
Other Non-Operating Revenues	145,062	59,158	53,399	20,650	278,269	
Changes in Assets and Liabilities						
Receivables	114,341	(12,028)	28,338	(7,720)	122,931	(9,175)
Inventory	(521)	-	-	-	(521)	(129,401)
Prepays	-	-	-	-	-	(11,097)
Accounts and Claims Payable	1,342,921	8,110	775,098	11,153	2,137,282	488,134
Accrued Salaries	(237)	1,106	(2,907)	156	(1,882)	405
Accrued Compensated Absences	(10,350)	(10,651)	25,923	-	4,922	13,362
Customer Deposits	101,410	-	-	-	101,410	-
Net Cash from Operating Activities	\$ 6,546,375	\$ (47,838)	\$ 1,767,878	\$ (154,465)	\$ 8,111,950	\$ 706,082

See accompanying notes to financial statements.

City of St. Charles, Illinois
Statement of Fiduciary Net Assets
Fiduciary Funds
April 30, 2005

	Pension Trust Funds	Agency Funds
Assets		
Cash and Short-Term Investments	\$ 2,787,035	\$ 1,067,417
Investments, at Fair Value		
Certificates of Deposit	1,180,710	-
U.S. Treasury and Agency Securities	19,438,115	-
Insurance Contracts	1,177,108	-
Mutual Funds	3,602,788	-
Equity Securities	5,965,125	-
Receivables		
Accounts Receivable	13	507,279
Accrued Interest on Investments	143,296	-
Prepaid Items	26,960	-
	<hr/>	<hr/>
Total Assets	34,321,150	1,574,696
	<hr/>	<hr/>
Liabilities		
Accounts Payable	1,714	2,037
Due to Other Governments	-	1,234,963
Due to Bondholders	-	337,696
	<hr/>	<hr/>
Total Liabilities	1,714	\$ 1,574,696
	<hr/>	<hr/>
Net Assets Held In Trust For Pension Benefits	<hr/>	
	\$34,319,436	
	<hr/>	

See accompanying notes to financial statements.

City of St. Charles, Illinois
Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended April 30, 2005

Additions:

Contributions -	
Employer	\$1,315,403
Employee	695,852
Total Contributions	<u>2,011,255</u>

Investment Income -

Net Appreciation in the	
Fair Value of Investments	1,289,448
Interest	731,100
Total Investment Income	<u>2,020,548</u>
Less Investment Expense	<u>(120,000)</u>
Net Investment Income	<u>1,900,548</u>

Total Additions	<u>3,911,803</u>
-----------------	------------------

Deductions:

Pension Benefits	1,345,631
Miscellaneous	36,081

Total Deductions	<u>1,381,712</u>
------------------	------------------

Net Increase	2,530,091
--------------	-----------

Net Assets Held In Trust
For Pension Benefits

May 1	<u>31,789,345</u>
April 30	<u><u>\$34,319,436</u></u>

See accompanying notes to financial statements.

(This page is intentionally left blank.)

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of St. Charles, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated as a town in 1853 and as a City in 1874, and occupies an approximate 16.4 square mile area in eastern Kane County and Western DuPage County. The City is located in the Fox River Valley, approximately 34 miles west of Chicago.

The City operates under a Mayor-Council form of government consisting of 5 wards and 10 aldermen. The Mayor is elected at large to a four-year term and the Council is elected by ward to staggered four year terms. The day-to-day affairs of the City are conducted by full time staff and are administered by eight department heads and the City Administrator. Department heads and the City Administrator are appointed by the Mayor and confirmed by the City Council. Department Heads report directly to the City Administrator, who reports directly to the Mayor and the City Council on a regular basis.

The City is the largest municipality in what is commonly referred to as the tri-city metropolitan area, others being the Cities of Batavia and Geneva. The 2002 Bureau of the Census data indicated the City to have a population of 31,824 (with a current estimated population of 32,500).

The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health, social and cultural services, water and sanitation, public improvements, planning and zoning, general administrative services and police and fire pension. As required by generally accepted accounting principles, these financial statements present the City (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. There are no component units that are required to be included in the City's general purpose external financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain city functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the City has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. The City utilizes pension trust funds and agency funds which are generally used to account for assets that the City holds in a fiduciary capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The Electric, Water and Sewer Funds account for the acquisition, operation and maintenance of City-owned electric, water, sewer and refuse facilities and services which are entirely or predominantly self-supported by user charges.

Additionally, the City reports the following internal service funds:

Internal service funds account for the City's self-insured property, casualty, worker's compensation and health insurance programs; materials and supplies inventory; and motor vehicles used by the City's Departments/Funds of the City on a cost reimbursement basis.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighter's Pension Fund. Furthermore, the City reports the following agency funds as fiduciary funds: the Tri City Ambulance fund where the City serves as custodian, the Special Service Area No. 21 Bond Fund, and the Special Assessment Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing proprietary fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90 day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the eligibility criterion.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The City reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

E. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider their equity in pooled cash and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of April 30, 2005 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2005.

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the financial statements. Interfund loans, if any, are classified as advances to/from other funds.

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$20,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	15-50
Improvements Other Than Buildings	15-50
Infrastructure	30-65
Electric Property	25-40
Water and Sewer Plant and Equipment	25-50
Equipment	3-15

J. Restricted Assets

Restricted assets in the General Fund and Enterprise Funds are the remaining bond proceeds that can be used only for specified purposes indicated in the bond ordinances.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Charges

Deferred charges in the proprietary funds and the governmental activities and business-type activities in the government-wide financial statements represents bond issuance costs and accounting losses on advance refundings of bonds which are being amortized over the life of the bonds.

L. Compensated Absences

Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and sick leave of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

N. Fund Balance/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt is the book value of the capital assets less the principal balance of any long-term debt issued to construct or acquire the capital asset.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

Interfund services are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments" and "restricted cash and investments". In addition, deposits and investments are separately held by several of the City's funds. Cash on hand of \$7,960 has been excluded from the amounts shown below.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (a money market mutual fund created by the state legislature under the control of the Illinois State Treasurer that maintain a \$1 per share value). Pension funds may also invest in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities.

A. Deposits

At year-end the carrying amount of the City's deposits totaled \$20,088,936 and the bank balances totaled \$22,624,282. The bank balance can be categorized as follows:

	<u>Bank Balance</u>
Category 1	
Deposits covered by federal depository insurance, Or by collateral held by the City, or its agent, in the City's name.	\$ 22,624,282

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits (Continued)

	<u>Bank Balance</u>
Category 2	
Deposits covered by collateral held by the pledging financial Institution's trust department, or its agents, in the City's name.	\$ -
Category 3	
Deposits covered by collateral held by the pledging financial Institution, or its trust department, or its agent but not in the City's name, and deposits which are uninsured and uncollateralized.	-
TOTAL DEPOSITS	<u>\$ 22,624,282</u>

B. Investments

The City's investments are categorized to give an indication of the level of custodial credit risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty in the City's name or held by any third party but not in the City's name.

	<u>Fair Value</u>			
	<u>Category</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Totals</u>
U.S. Treasury Securities	\$11,608,909	\$ -	\$ -	\$ 11,608,909
U.S. Agency Securities	39,021,980	-	-	39,021,980
Equity Securities	5,965,125	-	-	5,965,125
	<u>\$56,596,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>56,596,014</u>
*Mutual Funds				3,602,788
*Illinois Funds				4,786,890
*Mutual Funds - Money Market				3,487,271
*Insurance Separate Accounts				<u>1,177,108</u>
TOTAL INVESTMENTS				<u>\$ 69,650,071</u>

*Not Subject to Custodial Credit Risk Categorization

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2004 levy year attach as an enforceable lien on January 1, 2004, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the Counties and issued on or about May 1, 2005 and August 1, 2005, and are payable in two installments, on or about June 1, 2005 and September 1, 2005. The County collects such taxes and remits them periodically.

The 2004 taxes are intended to finance the 2006 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred revenue. The 2005 tax levy has not been recorded as a receivable at April 30, 2005, as the tax attached as a lien on property as of January 1, 2005, however, the tax will not be levied until December 2005 and, accordingly, is not measurable at April 30, 2005.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2005.

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,214,404
Home Rule Sales Tax	1,352,965
Local Use Tax	93,422
Auto Rental	7,999
Motor Fuel Tax	75,580
Simplified Telecommunications Tax	368,484
Court Fines	16,777
Due from Grantor Agency (Dept of Transportation)	<u>294,727</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,424,358</u>
-------------------------------	---------------------

BUSINESS-TYPE ACTIVITIES

Due from Grantor Agency (IEPA)	<u>\$ 905,604</u>
--------------------------------	-------------------

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2005 is as follows:

	Balances May 1, 2004	Increases	Decreases	Balances April 30, 2005
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 13,037,570	\$ 1,047,318	\$ -	\$ 14,084,888
Land Right of Ways	37,714,625	82,990	-	37,797,615
Construction in Progress	153,916	2,322,495	81,483	2,394,928
Total Capital Assets not Being Depreciated	<u>50,906,111</u>	<u>3,452,803</u>	<u>81,483</u>	<u>54,277,431</u>

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

	Balances May 1, 2004	Increases	Decreases	Balances April 30, 2005
GOVERNMENTAL ACTIVITIES (Continued)				
Capital Assets Being Depreciated				
Buildings	\$ 22,689,130	\$ 1,712,953	\$ -	\$ 24,402,083
Improvements Other Than Buildings	1,759,577	-	-	1,759,577
Equipment and Fixtures	10,029,411	687,389	307,947	10,408,853
Streets	60,109,570	208,047	-	60,317,617
Storm Sewers	3,919,814	-	-	3,919,814
Bridges	4,347,653	-	-	4,347,653
Total Capital Assets Being Depreciated	102,855,155	2,608,389	307,947	105,155,597
Less Accumulated Depreciation for				
Buildings	3,714,589	741,605	-	4,456,194
Improvements Other Than Buildings	403,119	87,979	-	491,098
Equipment and Fixtures	3,658,064	607,285	301,843	3,963,506
Streets	33,329,525	1,082,882	-	34,412,407
Storm Sewers	717,276	130,663	-	847,939
Bridges	1,232,449	85,386	-	1,317,835
Total Accumulated Depreciation	43,055,022	2,735,800	301,843	45,488,979
Total Capital Assets Being Depreciated, Net	59,800,133	(127,411)	6,104	59,666,618
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$110,706,244	\$ 3,325,392	\$ 87,587	\$113,944,049
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 628,318	\$ -	\$ -	\$ 628,318
Construction in Progress	3,859,119	7,699,521	-	11,558,640
Total Capital Assets not Being Depreciated	4,487,437	7,699,521	-	12,186,958
Capital Assets Being Depreciated				
Refuse Equipment	150,390	-	-	150,390
Electric Property	73,395,359	4,266,356	41,999	77,619,716
Water and Sewer Plant and Equipment	65,464,092	520,138	77,184	65,907,046
Total Capital Assets Being Depreciated	139,009,841	4,786,494	119,183	143,677,152
Less Accumulated Depreciation for				
Refuse Equipment	69,524	10,443	-	79,967
Electric Property	24,581,571	2,469,277	41,999	27,008,849
Water and Sewer Plant and Equipment	28,757,934	1,845,528	77,184	30,526,278
Total Accumulated Depreciation	53,409,029	4,325,248	119,183	57,615,094
Total Capital Assets Being Depreciated, net	85,600,812	461,246	-	86,062,058
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 90,088,249	\$ 8,160,767	\$ -	\$ 98,249,016

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 184,170
Public Health and Safety	143,992
Public Works, Including Depreciation of General Infrastructure Assets	<u>1,903,857</u>

TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES

\$ 2,232,019

6. LONG-TERM DEBT

A. General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1, 2004	Issuances	Retirements	Balances April 30, 2005	Current Portion
\$3,090,000 Taxable General Obligation Corporate Purpose Bonds of 1997, annual installments of \$35,000 to \$435,000 through December 1, 2016, interest at 6.80% to 7.00% payable each June 1 and December 1.	TIF #1	\$ 2,950,000	\$ -	\$ 80,000	\$ 2,870,000	\$ 95,000
\$5,000,000 General Obligation Corporate Purpose Bonds of 1997, annual installments of \$225,000 to \$430,000 through December 1, 2013, interest at 3.90% to 4.10% payable each June 1 and December 1.	Debt Service	3,360,000	-	345,000	3,015,000	365,000
\$4,200,000 General Obligation Tax Increment Bonds of 1999, annual installments of \$175,000 to \$345,000 through January 1, 2018, interest at 3.75% to 4.85% each January 1 and July 1.	TIF #2	3,655,000	-	195,000	3,460,000	205,000

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1, 2004	Issuances	Retirements	Balances April 30, 2005	Current Portion
\$5,000,000 General Obligation Corporate Purpose Bonds of 1998, annual installments of \$255,000 to \$430,000 through December 1, 2013, interest at 3.90% to 4.10% payable each June 1 and December 1.	Debt Service	\$ 2,484,707	\$ -	\$ 209,047	\$ 2,275,660	\$ 215,901
	Electric	1,140,293	-	95,953	1,044,340	99,099
\$4,300,000 General Obligation Bonds of 1999A, annual installments of \$200,000 to \$400,000 through December 1, 2014, interest at 4.85% to 5.00% payable each June 1 and December 1.	Debt Service	2,079,958	-	145,128	1,934,830	151,175
	Electric	1,360,042	-	94,872	1,265,170	98,825
\$10,000,000 General Obligation Bonds of 2000, annual installments of \$525,000 to \$950,000 through December 1, 2005, interest at 4.75% to 4.80% payable each June 1 and December 1.	Debt Service	8,925,000	-	575,000	8,350,000	600,000
\$2,860,000 General Obligation Bonds of 2002, annual installments of \$105,000 to \$220,000 through December 1, 2022, interest at 4.40% to 4.90% payable each June 1 and December 1.	Debt Service	2,860,000	-	105,000	2,755,000	110,000
\$4,890,000 General Obligation Bonds of 2002A, annual installments of \$265,000 to \$415,000, interest at 3.00% to 4.00% payable each June 1 and December 1.	Debt Service	290,358	-	16,956	273,402	17,270
	Electric	4,334,642	-	253,044	4,081,598	257,730
\$4,435,000 General Obligation Bonds of 2003, annual installments of \$185,000 - \$335,000, interest at 3.00% - 3.50% payable each June 1 and December 1.	TIF #5	4,435,000	-	-	4,435,000	-
\$6,375,000 General Obligation Bonds of 2004, annual installments of \$245,000 - \$470,000, interest at 2.80% - 4.30% payable each June 1 and December 1.	Debt Service	-	6,375,000	-	6,375,000	-
TOTAL GENERAL OBLIGATION BONDS		\$ 37,875,000	\$ 6,375,000	\$ 2,115,000	\$ 42,135,000	\$ 2,215,000

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

B. IEPA Loans

The City, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of sewerage collection and treatment facilities payable from sewer fees. EPA loans currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1, 2004	Additions	Reductions	Balances April 30, 2005	Current Portion
EPA Loan I	Sewer	\$ 2,284,594	\$ -	\$ 269,154	\$ 2,015,440	\$ 279,328
EPA Loan II	Sewer	328,742	-	33,731	295,011	34,950
EPA Loan III	Sewer	6,418,350	-	306,302	6,112,048	314,117
EPA Loan IV	Sewer	1,640,117	6,537,548	-	8,177,665	-
TOTAL		\$ 10,671,803	\$ 6,537,548	\$ 609,187	\$ 16,600,164	\$ 628,395

C. Installment Contracts

During the fiscal year ended April 30, 2003, the City purchased land via an installment purchase agreement. During the fiscal year ended April 30, 2004, the City purchased fire department equipment via an installment purchase agreement. During the fiscal year ended April 30, 2005, the City purchased emergency equipment via an installment purchase agreement.

Issue	Fund Debt Retired by	Balances May 1, 2004	Issuances	Retirements	Balances April 30, 2005	Current Portion
\$1,050,000 Installment Contract dated November 18, 2002 with monthly installments of \$14,352 including interest at 4%.	General	\$ 860,510	\$ -	\$ 140,362	\$ 720,148	\$ 146,080
\$112,000 Installment Contract dated August 19, 2004 with annual installments of \$37,500 - \$40,000 with interest at 0%.	General	112,500	-	35,000	77,500	37,500
\$238,210 Installment Contract dated December 1, 2004 with annual installments of principal of \$34,030 plus interest at 3.22%.	General	-	122,975	-	122,975	-
TOTAL		\$ 973,010	\$ 122,975	\$ 175,362	\$ 920,623	\$ 183,580

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

D. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Business-Type Activities IEPA Loans*		Governmental Activities General Obligation Bonds		Business Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 628,396	\$ 236,102	\$ 1,759,346	\$ 1,608,442	\$ 455,654	\$ 253,117
2007	648,228	216,268	2,275,585	1,540,829	469,416	236,578
2008	668,713	195,784	2,385,564	1,442,143	489,436	219,483
2009	689,868	174,628	2,497,206	1,337,640	502,794	201,628
2010	711,717	152,779	2,636,782	1,227,046	523,218	183,249
2011	734,282	130,215	2,756,762	1,108,711	543,239	163,504
2012	581,481	106,907	2,897,055	983,579	567,945	142,389
2013	396,893	92,787	2,538,485	850,195	591,515	118,270
2014	384,249	82,831	2,681,934	733,191	618,066	93,259
2015	394,051	73,029	2,504,906	608,393	505,094	66,552
2016	404,104	62,976	2,404,177	487,735	360,822	44,986
2017	414,413	52,667	1,540,120	371,038	374,879	30,553
2018	424,985	42,095	1,150,970	294,217	389,030	15,558
2019	435,827	31,253	815,000	244,819	-	-
2020	446,945	20,135	855,000	211,234	-	-
2021	458,347	8,734	890,000	175,324	-	-
2022	-	-	930,000	137,357	-	-
2023	-	-	970,000	96,915	-	-
2024	-	-	785,000	54,075	-	-
2025	-	-	470,000	20,210	-	-
TOTAL	\$ 8,422,499	\$ 1,679,190	\$35,743,892	\$13,533,093	\$ 6,391,108	\$ 1,769,126

* Debt service to maturity for the EPA Loan IV will not be determined until the final draw down on the loan and has, therefore, been excluded from this table.

Fiscal Year	Governmental Activities Installment Contracts**	
	Principal	Interest
2006	\$ 183,580	\$ 26,147
2007	192,031	20,196
2008	158,226	13,998
2009	164,672	7,552
2010	99,139	1,327
TOTAL	\$ 797,648	\$ 69,220

** Debt service to maturity for the 2005 installment contract will not be determined until the final draw down on the installment contract and has, therefore, been excluded from this table.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

E. Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1, 2004	Issuances	Retirements	Balances April 30, 2005	Current Portion
General Obligation Bonds Payable	\$ 31,040,023	\$ 6,375,000	\$ 1,671,131	\$ 35,743,892	\$ 1,759,346
Installment Contracts Payable					
- Governmental Funds	973,010	122,975	175,362	920,623	183,580
Compensated Absences Payable					
- Governmental Funds	2,684,181	221,029	-	2,905,210	2,905,210
Compensated Absences Payable					
- Internal Service Funds	56,177	13,362	-	69,539	69,539
TOTAL	\$ 34,753,391	\$ 6,732,366	\$ 1,846,493	\$ 39,639,264	\$ 4,917,675

During the fiscal year the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1, 2004	Issuances	Retirements	Balances April 30, 2005	Current Portion
General Obligation Bonds Payable	\$ 6,834,977	\$ -	\$ 443,869	\$ 6,391,108	\$ 455,654
IEPA Loans Payable	10,671,803	6,537,548	609,187	16,600,164	628,395
Compensated Absences Payable	639,350	4,922	-	644,272	644,272
TOTAL	\$ 18,146,130	\$ 6,542,470	\$ 1,053,056	\$ 23,635,544	\$ 1,728,321

F. Legal Debt Margin

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

6. LONG-TERM DEBT (Continued)

G. Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$3,425,000. These bonds are not an obligation of the City and are secured by the levy of special assessments and real estate taxes on certain property within the special assessment and special service areas. The City is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments, and forwarding the collections to bondholders.

The construction phase of this special service area is accounted for in a capital projects fund while the bond repayment phase is accounted for in an agency fund.

H. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2005, there were 8 series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2005. The original principal balance is \$39,192,164.

7. FUND BALANCE/NET ASSETS

The fund balance in governmental funds in the fund financial statements is segregated into two primary components reserved and unreserved. Reserved fund balance is used to segregate assets that are legally restricted for expenditure for a particular purpose or for assets that are not available for appropriations.

The net assets in the government-wide financial statements is segregated into two primary components, restricted and unrestricted. Restricted net assets is used to segregate assets that are legally restricted for use for a particular purpose by an external third party. Restricted net assets for specific purposes as April 30, 2005 is comprised of the following:

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. FUND BALANCE/NET ASSETS (Continued)

Restricted for	Governmental Activities
Retirement Obligations	\$ 77,450
Ambulance Service	19,910
Mental Health	43,274
Special Service Areas	16,842
Community Development	3,550,368
Highways and Streets	1,856,948
Public Safety	68,502
Net Pension Asset	204,126
TOTAL	<u>\$ 5,837,420</u>

8. RISK MANAGEMENT

The City is exposed to various risks including but not limited to losses from worker's compensation, employee health and general liability/property. The City is self-insured for workers' compensation, employee health insurance, public liability, general property and casualty. The City has established an internal service fund to account for these activities as they relate to governmental activities/fund, while self-insurance activity related to enterprise funds is accounted for directly in those funds. Each participating governmental fund makes payments to the self insurance fund. Such payments are displayed on the financial statements as revenues and expenditures/expenses to the extent that the charge to the other funds is based on the actual expenses of the fund plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as transfers.

The City has contracted with third party administrators (TPAs) to administer the worker's compensation and employee health insurance programs and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop loss coverage to limit the City's exposure to losses. Losses have not exceeded coverages for the last three years. The specific and aggregate stop loss coverages which are consistent with the prior year, are as follows:

Liability Insurance - The City is self-insured with a specific stop loss of \$100,000 per occurrence.

Health Insurance - The City is self-insured with a specific stop loss of \$75,000 per individual per year.

Worker's Compensation Insurance - The City is self-insured with a specific stop loss of \$400,000 per occurrence.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. RISK MANAGEMENT (Continued)

The City has recorded a liability for claims which were reported but unpaid as of the end of the fiscal year as well as an estimated liability for claims incurred but not reported. A reconciliation of claims payable for the fiscal years ended April 30, 2005 and 2004 is as follows:

	2005	2004
CLAIMS PAYABLE, MAY 1	\$ 1,220,187	\$ 987,975
Add Claims Incurred	3,196,121	2,628,388
Less Claims Paid	3,004,236	2,396,176
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,412,072</u>	<u>\$ 1,220,187</u>

9. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2005, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	<u>\$ 2,579,425</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 2,579,425</u>

Major interfund receivables and payables resulted from the following:

- \$2,579,425 Receivable due from Nonmajor Governmental Funds. These receivables are for expenses associated with TIF District 4, the Public Works Garage project, expenses associated with the future Fire Station #1 and Moline Debt. The amounts are payable to the General Fund from future property tax revenue and future bond issues.

As of April 30, 2005, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 883,347
Nonmajor Governmental	Internal Service	<u>235,173</u>
TOTAL		<u>\$ 1,118,520</u>

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES (Continued)

During the fiscal year ended April 30, 2002, the General Fund advanced the TIF District 2 debt service fund \$255,000 and an additional \$320,199, \$156,246, and \$151,903 in the fiscal year ended April 30, 2003, 2004, and 2005 respectively. The \$883,348 advanced as of April 30, 2005 will be repaid from tax increments in future years.

Interfund transfers during the year ended April 30, 2005 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ 1,749	\$ 2,450,215
Electric	-	235,615
Nonmajor Enterprise	-	221,786
Total General	1,749	2,907,616
Nonmajor Governmental		
General	2,450,215	-
Nonmajor Governmental	673,962	675,711
Internal Service	12,422	-
Total Nonmajor Governmental	3,136,599	675,711
Electric		
General	235,615	-
Total Electric	235,615	-
Nonmajor Enterprise		
General	221,786	-
Total Nonmajor Enterprise	221,786	-
Internal Service		
Nonmajor Governmental	-	12,422
Total Internal Service	-	12,422
TOTAL	\$ 3,595,749	\$ 3,595,749

Major interfund transfers resulted from the following:

- \$1,749 Transfer in from Nonmajor Governmental Funds. This transfer closed the Capital Projects Fund for the West Side Parking Deck (Fund 513) and transferred cash within the Capital Project Fund to the General Fund and First Street Capital Project Fund.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES (Continued)

- \$673,962 Transfers between Nonmajor Governmental Funds for closing the Capital Project Fund for the West Side Parking Deck to First Street and from TIF Districts property tax revenue to pay Debt Service Funds.
- \$2,450,215 Transfer from the General Fund to Nonmajor Funds. This transaction relates to money transferred to debt service accounts for payments of principle and interest on general obligation debt.
- \$235,615 Transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$221,786 Transfer to the Refuse Fund from the General Fund to cover expenses not covered by user fees.
- \$12,422 Transfer from the Motor Vehicle Replacement Fund to Nonmajor Funds. This transaction related to the money transferred to cover interest on debt.

The following funds reported deficit fund balances/net assets at April 30, 2005:

Fund	Deficit Balance
TIF District #2 Special Revenue Fund	\$ 882,964
Fire Station Fund	87,516
Public Works Garage Fund	1,496,485
TIF District #4 Capital Projects Fund	1,182,877
Health Insurance Fund	87,867

- Projects in TIF District 2 are still under construction without full occupancy and the TIF has not generated sufficient property tax revenue to cover debt service. This property is expected to be completed within the next year.
- The City has incurred engineering and architectural expenses in the Capital Project Fund for the building of a new Fire Station #1 facility; this will be reimbursed with future general obligation bonds.
- The City has incurred expenses in a Capital Project Fund for renovation of the Public Works Complex; this will be reimbursed with a general obligation bond issue within the next year.
- The deficit in TIF District 4 is for the First Street Development expenses. These expenses will be reimbursed through future property tax revenue and bond proceeds.

10. CONTINGENT LIABILITIES

A. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City as estimated liabilities have been accrued in the City's self-insurance fund where applicable.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Economic Development Incentives

The City has entered into an agreement with a developer whereby the City will reimburse the developer for certain infrastructure improvements ranging from \$0 - \$480,000, if certain thresholds are met by the developer. A liability for \$480,000 has been accrued in the General Fund as of April 30, 2005 as the thresholds were met by the developer.

In addition, the City has entered into an agreement with the owners of a local mall to provide an incentive for adding a department store to the mall. The incentive is the lesser amount of a base of \$525,000 in 2002 up to \$700,000 through 2016 or incremental sales taxes generated by the facility, capped at 100% in 2002 decreasing to 32% in 2016. The maximum incentives under this agreement are \$2,000,000. No liability has been accrued as of April 30, 2005 under this agreement as the thresholds have not been met. The total incentives incurred under this agreement through April 30, 2005, total \$287,052.

The City also entered into an agreement with the developer of another local mall to provide reimbursement of allowable costs and also an incentive for adding auto dealers to the mall. The incentive ranges from \$0 to \$2,500,000, through the year 2012, with a \$500,000 incentive per new auto dealer added to the mall. No liability for the incentives has been accrued as of April 30, 2005 under this agreement as the thresholds have not yet been met.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. CONTINGENT LIABILITIES (Continued)

C. Economic Development Incentives (Continued)

Finally, the City has entered into an agreement with the owners of property within TIF #5 to reimburse the developers for qualifying redevelopment costs for development of the property. The agreement requires the City to reimburse up to \$4,000,000 in phases to the developer as the costs are incurred and approved by the City. The City issued the 2003 General Obligation Bonds in the amount of \$4,435,000 to fund its obligation. As of April 30, 2005, the City has reimbursed the developer \$2,000,000 under this agreement.

D. Infrastructure Maintenance Fees

Effective January 1, 1998, the City imposed a municipal telecommunications infrastructure maintenance fee (IMF) on persons in the business of transmitting, supplying, or furnishing telecommunications and all associated services (e.g., telecommunications retailers) in Illinois for the "use of public right-of-ways". The fee was authorized by state statute (35 ILCS 635). In March 2001, a wireless telecommunications provider brought action against the City of Chicago challenging the constitutionality of the City of Chicago municipal telecommunications infrastructure maintenance fee. The Illinois Supreme Court (Court) found the IMF to be unconstitutional as applied to wireless carriers. The Court determined that it was unreasonable to include wireless providers into the class of entities which applied to the municipal IMF because they do not own, operate, nor maintain any portion of their infrastructure within the public rights-of-way. The Court's decision held upon appeal. The municipal IMF fee was repealed by the City effective January 1, 2001. Potential damages to the City under this case precedent could aggregate the total of amounts remitted to the City for IMF by all wireless carriers during the period from January 1, 1998 through January 1, 2001. No amounts have been accrued for this as payment is not probable nor is the amount that could be paid estimable at April 30, 2005.

11. DEFINED BENEFIT PENSION PLANS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; The Sheriff's Law Enforcement Personnel Fund (SLEP), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2.00% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2004 was 8.77% of covered payroll.

Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter.

For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 6.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rates for the year ended December 31, 2004 was 0.00% of covered payroll.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2005, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	28
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	33
Nonvested	15
	<hr/>
TOTAL	77

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2005, the City's contribution was 26.27% of covered payroll.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2005, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	7
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	24
Nonvested	26
	<hr/>
TOTAL	58

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.00% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan, including the costs of administering the Plan, as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2005, the City's contribution was 12.68% of covered payroll.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or the Firefighters' Pension Plans. Information for the IMRF and SLEP is not available.

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2002	December 31, 2002	April 30, 2004	April 30, 2004
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	32 Years, Closed, 10 Years (Overfunded)	32 Years, Closed	29 Years, Closed	29 Years, Closed
Significant Actuarial Assumptions				
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.00% Compounded Annually	5.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 11.60%	.40 to 11.60%	Not Available	Not Available

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

Employer annual pension costs (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO (asset) is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Fiscal Year	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2003	\$ 559,235	\$ 322	2003	\$ 681,587	\$ 377,779
	2004	703,074	-	2004	792,137	400,545
	2005	993,223	25,957	2005	882,386	428,345
Actual Contribution	2003	\$ 559,235	\$ 322	2003	\$ 686,353	\$ 379,218
	2004	703,074	-	2004	794,691	401,628
	2005	993,223	25,957	2005	886,342	429,061
Percentage of APC Contributed	2003	100%	100%	2003	100.70%	100.38%
	2004	100%	100%	2004	100.32%	100.27%
	2005	100%	100%	2005	100.45%	100.17%
NPO (Asset)	2003	\$ -	\$ -	2003	\$ (152,678)	\$ (43,139)
	2004	-	-	2004	(155,232)	(44,222)
	2005	-	-	2005	(159,188)	(44,938)

The net pension obligation (asset) has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual Required Contributions	\$ 886,236	\$ 429,442
Interest on Net Pension Obligation	(10,866)	(3,096)
Adjustment to Annual Required Contribution	7,016	1,999
Annual Pension Cost	882,386	428,345
Contributions Made	886,342	429,061
Increase (Decrease) in Net Pension Obligation (Asset)	(3,956)	(716)
Net Pension Obligation (Asset) Beginning of Year	(155,232)	(44,222)
NET PENSION OBLIGATION (ASSET) END OF YEAR	\$ (159,188)	\$ (44,938)

12. PRIOR PERIOD ADJUSTMENTS

As of May 1, 2004, the City recorded a prior period adjustment to fund balance to record liabilities in the period incurred and in the proper fund. This resulted in a decrease to net assets in the enterprise funds of \$50,384. In addition, the City recorded retroactive infrastructure required under GASB Statement No. 34 increasing governmental capital assets by \$68,222,316.

13. SUBSEQUENT EVENTS

On June 20, 2005, the City issued \$2,615,000 Taxable General Obligation Corporate Purpose Refunding Bonds, Series 2005A, dated June 20, 2005, with principal maturing December 1, 2005 - 2016, ranging from \$25,000 to \$410,000, interest payable semiannually each June 1 and December 1, commencing December 1, 2005, at rates of 3.850% to 4.850%. The proceeds of the bonds have been deposited into an irrevocable trust to advance refund, through an in-substance defeasance, \$2,525,000 of the Taxable General Obligation Corporate Purpose Bonds, Series 1997 Series 1997 General Obligation Bonds.

Also, on June 20, 2005, the City issued \$16,500,000 General Obligation Bonds, Series 2005B, dated June 20, 2005, with principal maturing December 1, 2007 - 2025, ranging from \$625,000 to \$1,175,000, interest payable semiannually each June 1 and December 1, commencing December 1, 2005, at rates of 3.500% to 4.500%. The proceeds of the bonds are for public capital infrastructure improvements including renovations and additions to the City's existing public works facility.

City of St. Charles, Illinois
General Corporate Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues:			
Property Taxes	\$ 9,493,817	\$ 9,238,514	\$ 9,231,770
Personal Property Replacement Taxes	61,600	61,600	68,379
Municipal Sales and Use Taxes	14,210,970	14,210,970	15,217,706
Electric Franchise Fee	1,616,343	1,616,343	1,614,553
Food and Beverage Tax	545,000	715,000	692,047
Hotel Occupations Tax	1,000,000	1,000,000	1,637,380
Telecommunications Fee	1,750,000	1,750,000	1,619,756
Admissions Tax	92,000	92,000	66,482
Business Licenses and Permits	193,868	195,868	227,795
Non-business License and Permits	391,900	391,900	545,378
Fines and Court Fees	199,900	199,900	256,476
Grants	235,275	535,149	100,149
Illinois State Income Tax Allotments	2,052,648	2,052,648	2,155,151
Charges for Current Services	1,597,464	1,585,464	1,763,414
Investment Income	81,500	81,500	112,696
Miscellaneous	442,200	342,200	432,094
Total Revenues	<u>33,964,485</u>	<u>34,069,056</u>	<u>35,741,226</u>
Expenditures:			
General Government	3,347,227	2,945,212	2,548,576
Public Health and Safety	16,875,504	17,150,855	16,354,924
Public Works	9,552,689	9,097,998	8,654,350
Community Development	1,834,835	1,841,519	1,542,692
Debt Service			
Principal	140,362	175,362	175,362
Interest and Fiscal Charges	31,866	31,866	31,866
Total Expenditures	<u>31,782,483</u>	<u>31,242,812</u>	<u>29,307,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,182,002</u>	<u>2,826,244</u>	<u>6,433,456</u>
Other Financing Sources (Uses):			
Issuance of Bonds	4,400,000	600,000	600,000
Discount on Bonds	-	-	(5,402)
Issuance of Installment Contracts	-	238,210	122,975
Proceeds from the Sale of Capital Assets	3,000	3,000	-
Transfers In	-	1,749	1,749
Transfers Out	(2,762,742)	(3,026,569)	(2,907,616)
Total Other Financing Sources (Uses)	<u>1,640,258</u>	<u>(2,183,610)</u>	<u>(2,188,294)</u>
Net Change in Fund Balance	<u>\$ 3,822,260</u>	<u>\$ 642,634</u>	<u>4,245,162</u>
Fund Balance, May 1			<u>11,461,786</u>
Fund Balance, April 30			<u>\$15,706,948</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2005

BUDGETS

The City's budgetary operations are governed by the Budget Act as provided for in Illinois Compiled Statutes (ILCS) and are administered by the Director of Finance and the City Administrator. Under the Budget Act, no appropriation is required to be passed and an annual budget must be adopted prior to the year that the funds will be expended.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, certain special revenue (except the foreign fire insurance fund), debt service, capital projects and enterprise funds. The annual budget is legally enacted and provides for a legal level of control at the department level. Management of the City can transfer budgeted amounts between object codes without City Council approval. Management of the City can over expend the object level, but any over expenditures at the department level requires City Council approval by two-thirds vote. All annual budgets lapse at fiscal year end. During the year, the budget was amended by the City Council.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2005

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
1999	\$ 18,241,799	\$ 17,376,664	104.98%	\$ (865,135)	\$ 8,278,020	(10.45%)
2000	20,517,459	18,325,492	111.96%	(2,191,967)	8,562,942	(25.60%)
2001	22,547,972	20,763,720	108.59%	(1,784,252)	9,226,868	(19.34%)
2002	22,289,660	22,417,610	99.43%	127,950	9,811,143	1.30%
2003	24,172,412	25,682,512	94.12%	1,510,100	10,493,648	14.39%
2004	26,008,122	28,953,419	89.83%	2,945,297	11,325,240	26.01%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
SHERIFF'S LAW ENFORCEMENT PERSONNEL

April 30, 2005

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
1999	\$ 340,789	\$ 593,247	57.44%	\$ 252,458	\$ 114,875	219.77%
2000	385,354	509,241	75.67%	123,887	12,000	1032.39%
2001	412,795	556,175	74.22%	143,380	12,000	1194.83%
2002	(372,380)	-	0.00%	372,380	500	74476.00%
2003	(397,590)	-	0.00%	397,590	-	0.00%
2004	(406,731)	-	0.00%	406,731	-	0.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2005

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2000	\$ 14,419,091	\$ 19,852,850	72.63%	\$ 5,433,759	\$ 2,751,341	197.49%
2001	15,283,139	22,381,113	68.29%	7,097,974	2,853,332	248.76%
2002	15,776,732	24,264,471	65.02%	8,487,739	3,210,071	264.41%
2003	16,104,564	26,249,005	61.35%	10,144,441	3,341,767	303.57%
2004	18,143,826	28,687,658	63.25%	10,543,832	3,537,104	298.09%
2005	19,444,068	29,678,938	65.51%	10,234,870	3,373,443	303.40%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND

April 30, 2005

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2000	\$ 9,377,643	\$ 9,579,114	97.90%	\$ 201,471	\$ 1,816,642	11.09%
2001	10,631,501	10,532,319	100.94%	(99,182)	1,928,703	(5.14%)
2002	11,575,283	11,682,622	99.08%	107,339	1,973,720	5.44%
2003	12,937,052	12,981,825	99.66%	44,773	2,182,461	2.05%
2004	13,645,519	14,947,971	91.29%	1,302,452	2,749,062	47.38%
2005	14,875,368	16,639,816	89.40%	1,764,448	3,384,683	52.13%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2005

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1999	\$ 699,492	\$ 699,492	100.00%
2000	621,670	621,670	100.00%
2001	672,639	672,639	100.00%
2002	559,235	559,235	100.00%
2003	703,074	703,074	100.00%
2004	993,223	993,223	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SHERIFF'S LAW ENFORCEMENT PERSONNEL

April 30, 2005

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1999	\$ 19,161	\$ 19,161	100.00%
2000	2,371	2,371	100.00%
2001	2,863	2,863	100.00%
2002	322	322	100.00%
2003	-	-	0.00%
2004	25,957	25,957	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2005

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2000	\$ 509,092	\$ 519,701	97.96%	\$ (144,420)
2001	585,231	587,684	99.58%	(146,054)
2002	589,739	591,967	99.62%	(147,912)
2003	686,353	685,579	100.11%	(152,678)
2004	794,691	796,096	99.82%	(155,232)
2005	886,342	886,236	100.01%	(159,188)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

April 30, 2005

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2000	\$ 245,987	\$ 251,833	97.68%	\$ (42,153)
2001	322,847	324,289	99.56%	(41,930)
2002	375,132	376,535	99.63%	(41,700)
2003	379,218	378,904	100.08%	(43,139)
2004	401,628	401,664	99.99%	(44,222)
2005	429,061	429,442	99.91%	(44,938)

See independent auditor's report.

City of St. Charles, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2005

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 2,338,894	\$ 490,610	\$ 3,616,059	\$ 6,445,563
Receivables				
Property Taxes	583,045	-	-	583,045
Accounts Receivable	4,954	-	8,614	13,568
Accrued Interest on Investments	1,919	-	-	1,919
Advances to Other Funds	-	235,173	-	235,173
Due from Other Governments	75,580	-	294,727	370,307
TOTAL ASSETS	\$ 3,004,392	\$ 725,783	\$ 3,919,400	\$ 7,649,575
LIABILITIES				
Accounts Payable	\$ 8,028	\$ -	\$ 977,652	\$ 985,680
Contracts Payable	6,170	-	58,658	64,828
Accrued Salaries	1,769	-	-	1,769
Due to Other Funds	-	-	2,579,425	2,579,425
Advances From Other Funds	883,347	-	-	883,347
Deferred Property Tax Revenue	583,045	-	-	583,045
Total Liabilities	1,482,359	-	3,615,735	5,098,094
FUND BALANCES				
Reserved for Community Development	481,131	-	3,069,237	3,550,368
Reserved for Highways and Streets	1,856,948	-	-	1,856,948
Reserved for Public Safety	68,502	-	-	68,502
Reserved for Debt Service	-	490,610	-	490,610
Reserved for Advances to Other Funds	-	235,173	-	235,173
Unreserved				
Undesignated (Deficit) - Special Revenue Funds	(884,548)	-	-	(884,548)
Undesignated (Deficit) - Capital Projects Funds	-	-	(2,765,572)	(2,765,572)
Total Fund Balances	1,522,033	725,783	303,665	2,551,481
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,004,392	\$ 725,783	\$ 3,919,400	\$ 7,649,575

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended April 30, 2005

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Property Taxes	\$ 479,274	\$ -	\$ -	\$ 479,274
Municipal Sales and Use Taxes	30,462	-	-	30,462
Hotel Occupation Tax	47,546	-	-	47,546
Motor Fuel Tax Allotments	962,385	-	-	962,385
Charges to Other Governmental Units	64,669	-	-	64,669
Charges for Current Services	24,049	-	-	24,049
Regional Transportation Authority Reimbursements	21,363	-	-	21,363
Grants	-	-	396,366	396,366
Investment Income	35,495	9,389	63,069	107,953
Miscellaneous	57,011	-	6,000	63,011
Total Revenues	1,722,254	9,389	465,435	2,197,078
Expenditures:				
Current Operating-				
General Government	183,396	-	-	183,396
Public Health and Safety	37,054	-	478,105	515,159
Public Works	870,545	-	2,132,084	3,002,629
Debt Service-				
Principal	-	1,671,131	-	1,671,131
Interest and Fiscal Charges	-	1,461,997	-	1,461,997
Capital Outlay	-	-	3,917,320	3,917,320
Total Expenditures	1,090,995	3,133,128	6,527,509	10,751,632
Excess (Deficiency) of Revenues Over Expenditures	631,259	(3,123,739)	(6,062,074)	(8,554,554)
Other Financing Sources (Uses):				
Issuance of Bonds	-	104,812	5,670,188	5,775,000
Discount on Bonds	-	-	(51,055)	(51,055)
Transfers In	77,531	2,540,512	518,556	3,136,599
Transfers Out	(537,266)	-	(138,445)	(675,711)
Total Other Financing Sources (Uses)	(459,735)	2,645,324	5,999,244	8,184,833
Net Change in Fund Balances	171,524	(478,415)	(62,830)	(369,721)
Fund Balance, May 1	1,350,509	1,204,198	366,495	2,921,202
Fund Balance, April 30	\$ 1,522,033	\$ 725,783	\$ 303,665	\$ 2,551,481

See independent auditor's report.

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue source which, by law, are designated to finance particular functions or activities of government and which therefore cannot be diverted to other uses.

TIF District 1 - established to account for revitalization of the Hotel Baker through a TIF district funded through property tax, sales tax and hotel tax revenues.

TIF District 2 - established to account for revitalization of the Moline Foundry through a TIF district funded through property tax revenues.

TIF District 3 - established to account for revitalization of the St. Charles Mall through a TIF district funded through property tax revenues.

TIF District 4 - established to account for revitalization of a section of First Street through a TIF district funded through property tax revenues.

TIF District 5 - established to account for revitalization of a section known as the St. Charles Manufacturing property through a TIF district funded through property tax revenues.

Motor Fuel Tax - underwrites the cost of some major street and bridge improvements subject to the approval of the State of Illinois.

Subsidized Transportation - provides subsidized bus services to senior citizens in St. Charles and neighboring communities, funds for which are derived from user charges, charges to other municipalities and charges to PACE.

Foreign Fire Insurance Tax - established to account for foreign fire insurance tax proceeds which are restricted for fire department purposes.

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Special Revenue Funds

April 30, 2005

<u>Assets</u>	<u>TIF District 1</u>		<u>TIF District 2</u>		<u>TIF District 3</u>		<u>TIF District 4</u>		<u>TIF District 5</u>		<u>Motor Fuel Tax Fund</u>		<u>Subsidized Transport Fund</u>		<u>Foreign Fire Insurance</u>		<u>Total</u>
	<u>Fund</u>		<u>Fund</u>		<u>Fund</u>		<u>Fund</u>		<u>Fund</u>		<u>Fund</u>		<u>Fund</u>		<u>Fund</u>		
Cash and Investments	\$ 468,635		\$ 383		\$ 575		\$ 7,196		\$ 1,322		\$ 1,785,619		\$ 175		\$ 74,989		\$2,338,894
Receivables																	
Property Taxes, net	133,417		226,282		63,500		138,140		21,706		-		-		-		583,045
Accounts Receivable	3,403		-		-		-		-		-		1,551		-		4,954
Accrued Interest on Investments	-		-		-		-		-		1,919		-		-		1,919
Due From Other Governments	-		-		-		-		-		75,580		-		-		75,580
Total Assets	\$ 605,455		\$ 226,665		\$ 64,075		\$ 145,336		\$ 23,028		\$ 1,863,118		\$ 1,726		\$ 74,989		\$3,004,392
<u>Liabilities and Fund Balance</u>																	
Liabilities																	
Accounts Payable	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ 1,541		\$ 6,487		\$ 8,028
Contracts Payable	-		-		-		-		-		6,170		-		-		6,170
Accrued Salaries	-		-		-		-		-		-		1,769		-		1,769
Advance from Other Funds	-		883,347		-		-		-		-		-		-		883,347
Deferred Property Tax Revenue	133,417		226,282		63,500		138,140		21,706		-		-		-		583,045
Total Liabilities	133,417		1,109,629		63,500		138,140		21,706		6,170		3,310		6,487		1,482,359
Fund Balance (Deficit)																	
Reserved for Community Development	472,038		-		575		7,196		1,322		-		-		-		481,131
Reserved for Highways and Streets	-		-		-		-		-		1,856,948		-		-		1,856,948
Reserved for Public Safety	-		-		-		-		-		-		-		68,502		68,502
Unreserved (Deficit)	-		(882,964)		-		-		-		-		(1,584)		-		(884,548)
Total Fund Balance (Deficit)	472,038		(882,964)		575		7,196		1,322		1,856,948		(1,584)		68,502		1,522,033
Total Liabilities and Fund Balance	\$ 605,455		\$ 226,665		\$ 64,075		\$ 145,336		\$ 23,028		\$ 1,863,118		\$ 1,726		\$ 74,989		\$3,004,392

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended April 30, 2005

	TIF District 1 Fund	TIF District 2 Fund	TIF District 3 Fund	TIF District 4 Fund	TIF District 5 Fund	Motor Fuel Tax Fund	Subsidized Transport Fund	Foreign Fire Insurance	Total
Revenues:									
Property Taxes	\$ 130,499	\$ 202,996	\$ 41,666	\$ 102,808	\$ 1,305	\$ -	\$ -	\$ -	\$ 479,274
Sales and Use Tax	30,462	-	-	-	-	-	-	-	30,462
Motor Fuel Tax Allotments	-	-	-	-	-	962,385	-	-	962,385
Hotel Occupation Tax	47,546	-	-	-	-	-	-	-	47,546
Charges to Other Government Units	-	-	-	-	-	-	64,669	-	64,669
Charges for Current Services	-	-	-	6,972	-	-	17,077	-	24,049
Regional Trans. Authority Reimbursements	-	-	-	-	-	-	21,363	-	21,363
Investment Income	6,403	666	179	755	17	26,984	361	130	35,495
Miscellaneous Revenues	-	-	-	-	-	-	-	57,011	57,011
Total Revenues	214,910	203,662	41,845	110,535	1,322	989,369	103,470	57,141	1,722,254
Expenditures:									
General Government	-	-	-	-	-	-	183,396	-	183,396
Public Health and Safety	-	-	-	-	-	-	-	37,054	37,054
Public Works	-	-	-	-	-	870,545	-	-	870,545
Total Expenditures	-	-	-	-	-	870,545	183,396	37,054	1,090,995
Excess (Deficiency) of Revenues over Expenditures	214,910	203,662	41,845	110,535	1,322	118,824	(79,926)	20,087	631,259
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	77,531	-	77,531
Transfers Out	-	(356,103)	(41,304)	(139,859)	-	-	-	-	(537,266)
Total Other Financing Sources (Uses)	-	(356,103)	(41,304)	(139,859)	-	-	77,531	-	(459,735)
Net Change in Fund Balances	214,910	(152,441)	541	(29,324)	1,322	118,824	(2,395)	20,087	171,524
Fund Balance (Deficit), May 1	257,128	(730,523)	34	36,520	-	1,738,124	811	48,415	1,350,509
Fund Balance (Deficit), April 30	\$ 472,038	(\$ 882,964)	\$ 575	\$ 7,196	\$ 1,322	\$1,856,948	(\$ 1,584)	\$ 68,502	\$1,522,033

See independent auditor's report.

City of St. Charles, Illinois

TIF District 1 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 120,000	\$ 120,000	\$ 130,499
Sales and Use Tax	26,808	26,808	30,462
Hotel Occupation Tax	51,343	51,343	47,546
Investment Income	3,000	3,000	6,403
Total Revenues	201,151	201,151	214,910
Expenditures:			
Community Development:			
None	-	-	-
Net Change in Fund Balance	\$ 201,151	\$ 201,151	214,910
Fund Balance, May 1			257,128
Fund Balance, April 30			\$ 472,038

See independent auditor's report.

City of St. Charles, Illinois
TIF District 2 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 189,259	\$ 189,259	\$ 202,996
Investment Income	-	-	666
Total Revenues	<u>189,259</u>	<u>189,259</u>	<u>203,662</u>
Expenditures:			
Community Development:			
None	-	-	-
Excess of Revenues Over Expenditures	<u>189,259</u>	<u>189,259</u>	<u>203,662</u>
Other Financing Uses:			
Transfers Out	<u>(189,259)</u>	<u>(189,259)</u>	<u>(356,103)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(152,441)</u>
Fund Balance (Deficit), May 1			<u>(730,523)</u>
Fund Balance (Deficit), April 30			<u><u>(\$ 882,964)</u></u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 3 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 64,003	\$ 64,003	\$ 41,666
Investment Income	-	-	179
Total Revenues	64,003	64,003	41,845
Expenditures:			
Community Development:			
None	-	-	-
Excess of Revenues Over Expenditures	64,003	64,003	41,845
Other Financing Uses:			
Transfers Out	(64,003)	(41,304)	(41,304)
Net Change in Fund Balance	\$ -	\$ 22,699	541
Fund Balance, May 1			34
Fund Balance, April 30			\$ 575

See independent auditor's report.

City of St. Charles, Illinois
TIF District 4 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 72,000	\$ 72,000	\$ 102,808
Investment Income	-	-	755
Charges for Current Services	-	-	6,972
Total Revenues	72,000	72,000	110,535
Expenditures:			
Community Development:			
None	-	-	-
Excess of Revenues Over Expenditures	72,000	72,000	110,535
Other Financing Uses:			
Transfers Out	-	(139,860)	(139,859)
Net Change in Fund Balance	\$ 72,000	(\$ 67,860)	(29,324)
Fund Balance, May 1			36,520
Fund Balance, April 30			\$ 7,196

See independent auditor's report.

City of St. Charles, Illinois

TIF District 5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ -	\$ -	\$ 1,305
Investment Income	-	-	17
Total Revenues	-	-	1,322
Expenditures:			
Community Development:			
None	-	-	-
Net Change in Fund Balance	\$ -	\$ -	1,322
Fund Balance, May 1			-
Fund Balance, April 30			\$ 1,322

See independent auditor's report.

City of St. Charles, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Motor Fuel Tax Allotments	\$ 927,670	\$ 927,670	\$ 962,385
Investment Income	-	-	26,984
Total Revenues	<u>927,670</u>	<u>927,670</u>	<u>989,369</u>
Expenditures:			
Public Works:			
Contractual	<u>812,000</u>	<u>934,776</u>	<u>870,545</u>
Net Change in Fund Balance	<u>\$ 115,670</u>	<u>\$ 7,106</u>	<u>118,824</u>
Fund Balance, May 1			<u>1,738,124</u>
Fund Balance, April 30			<u>\$1,856,948</u>

See independent auditor's report.

City of St. Charles, Illinois
Subsidized Transportation Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
Revenues:			
Charges to Other Government Units	\$ 64,669	\$ 64,669	\$ 64,669
Charges for Current Services	17,700	17,700	17,077
Regional Transportation			
Authority Reimbursements	20,000	20,000	21,363
Investment Income	-	-	361
	<hr/>	<hr/>	<hr/>
Total Revenues	102,369	102,369	103,470
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personal Services	127,125	127,125	132,652
Contractual Services	21,768	21,683	28,563
Materials and Supplies	5,180	5,265	7,259
Miscellaneous	19,724	19,725	14,922
Total Expenditures	<hr/>	<hr/>	<hr/>
	173,797	173,798	183,396
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of			
Revenues Over Expenditures	(71,428)	(71,429)	(79,926)
	<hr/>	<hr/>	<hr/>
Other Financing Uses:			
Transfers In	<hr/>	<hr/>	<hr/>
	77,531	77,531	77,531
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	<hr/>	<hr/>	<hr/>
	\$ 6,103	\$ 6,102	(\$ 2,395)
	<hr/>	<hr/>	<hr/>
Fund Balance, May 1			<hr/>
			811
Fund Balance (Deficit), April 30			<hr/>
			(\$ 1,584)
			<hr/>

See independent auditor's report.

Nonmajor Debt Service Funds

Debt Service are used to account for the payment of interest and principal on general and special obligation debt other than that payable from the Special Assessment Fund and debt issue for and serviced by the Proprietary Funds.

TIF District 1 - accounts for payment of interest and principal on debt used to finance the construction for revitalization of the Hotel Baker.

TIF District 2 - accounts for payment of interest and principal on debt used to finance the construction for revitalization of the Moline Foundry.

TIF District 3 - accounts for payment of interest and principal on debt used to finance the construction and revitalization of the St. Charles Mall area.

TIF District 5 - accounts for payment of interest and principal on debt used to finance the construction and revitalization of the property known as the St. Charles Manufacturing area.

G.O. Bond Issues - accounts for payment of interest and principal on debt used to finance multiple capital construction projects.

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Debt Service Funds

April 30, 2005

<u>Assets</u>																			
	TIF District 1	TIF District 2	TIF District 3	TIF District 5	1997 G.O. Bond Issue	1998 G.O. Bond Issue	1999 G.O. Bond Issue	2000 G.O. Bond Issue	2002A G.O. Bond Issue	2004 G.O. Bond Issue	Total								
Cash and Investments	\$ 207,315	\$ 6,432	\$ 457	\$ 168,092	\$ 854	\$ 1,626	\$ 35	\$ 164	\$ -	\$ 105,635	\$ 490,610								
Advances to Other Funds	-	-	-	-	235,173	-	-	-	-	-	235,173								
Total Assets	<u>\$ 207,315</u>	<u>\$ 6,432</u>	<u>\$ 457</u>	<u>\$ 168,092</u>	<u>\$ 236,027</u>	<u>\$ 1,626</u>	<u>\$ 35</u>	<u>\$ 164</u>	<u>\$ -</u>	<u>\$ 105,635</u>	<u>\$ 725,783</u>								
<u>Liabilities and Fund Balance</u>																			
Liabilities																			
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-								
Fund Balance																			
Reserved For Debt Service	207,315	6,432	457	168,092	854	1,626	35	164	-	105,635	490,610								
Reserved For Advances to Other Funds	-	-	-	-	235,173	-	-	-	-	-	235,173								
Total Fund Balance	<u>207,315</u>	<u>6,432</u>	<u>457</u>	<u>168,092</u>	<u>236,027</u>	<u>1,626</u>	<u>35</u>	<u>164</u>	<u>-</u>	<u>105,635</u>	<u>725,783</u>								
Total Liabilities and Fund Balance	<u>\$ 207,315</u>	<u>\$ 6,432</u>	<u>\$ 457</u>	<u>\$ 168,092</u>	<u>\$ 236,027</u>	<u>\$ 1,626</u>	<u>\$ 35</u>	<u>\$ 164</u>	<u>\$ -</u>	<u>\$ 105,635</u>	<u>\$ 725,783</u>								

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Debt Service Funds

For the Year Ended April 30, 2005

	TIF District 1	TIF District 2	TIF District 3	TIF District 5	1997 GO Bonds	1998 GO Bonds	1999 GO Bonds	2000 GO Bonds	2002A GO Bonds	2004 GO Bonds	Total
Revenues:											
Investment Income	\$ 4,693	\$ 104	\$ 408	\$ 3,318	\$ 14	\$ 26	\$ -	\$ 3	\$ -	\$ 823	\$ 9,389
Total Revenues	<u>4,693</u>	<u>104</u>	<u>408</u>	<u>3,318</u>	<u>14</u>	<u>26</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>823</u>	<u>9,389</u>
Expenditures:											
Principal Retirement	80,000	195,000	105,000	-	345,000	209,047	145,128	575,000	16,956	-	1,671,131
Interest and Fiscal Charges	204,340	161,103	133,328	163,500	159,245	100,233	102,612	427,175	10,461	-	1,461,997
Total Expenditures	<u>284,340</u>	<u>356,103</u>	<u>238,328</u>	<u>163,500</u>	<u>504,245</u>	<u>309,280</u>	<u>247,740</u>	<u>1,002,175</u>	<u>27,417</u>	<u>-</u>	<u>3,133,128</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(279,647)</u>	<u>(355,999)</u>	<u>(237,920)</u>	<u>(160,182)</u>	<u>(504,231)</u>	<u>(309,254)</u>	<u>(247,740)</u>	<u>(1,002,172)</u>	<u>(27,417)</u>	<u>823</u>	<u>(3,123,739)</u>
Other Financing Sources:											
Issuance of Bonds	-	-	-	-	-	-	-	-	-	104,812	104,812
Transfers In	-	356,103	120,462	-	477,335	309,280	247,740	1,002,175	27,417	-	2,540,512
Total Other Financing Sources	<u>-</u>	<u>356,103</u>	<u>120,462</u>	<u>-</u>	<u>477,335</u>	<u>309,280</u>	<u>247,740</u>	<u>1,002,175</u>	<u>27,417</u>	<u>104,812</u>	<u>2,645,324</u>
Net Change In Fund Balances	<u>(279,647)</u>	<u>104</u>	<u>(117,458)</u>	<u>(160,182)</u>	<u>(26,896)</u>	<u>26</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>105,635</u>	<u>(478,415)</u>
Fund Balance, May 1	486,962	6,328	117,915	328,274	262,923	1,600	35	161	-	-	1,204,198
Fund Balance, April 30	<u>\$ 207,315</u>	<u>\$ 6,432</u>	<u>\$ 457</u>	<u>\$ 168,092</u>	<u>\$ 236,027</u>	<u>\$ 1,626</u>	<u>\$ 35</u>	<u>\$ 164</u>	<u>\$ -</u>	<u>\$ 105,635</u>	<u>\$ 725,783</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 1 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 4,693
Total Revenues	-	-	4,693
Expenditures:			
Principal Retirement	80,000	80,000	80,000
Interest and Fiscal Charges	204,340	204,340	204,340
Total Expenditures	284,340	284,340	284,340
Excess (Deficiency) of Revenues Over Expenditures	(284,340)	(284,340)	(279,647)
Net Change In Fund Balance	<u>(\$ 284,340)</u>	<u>(\$ 284,340)</u>	(279,647)
Fund Balance, May 1			<u>486,962</u>
Fund Balance, April 30			<u>\$ 207,315</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 2 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 104
Total Revenues	-	-	104
Expenditures:			
Principal Retirement	195,000	195,000	195,000
Interest and Fiscal Charges	161,103	161,103	161,103
Total Expenditures	356,103	356,103	356,103
Excess (Deficiency) of Revenues Over Expenditures	(356,103)	(356,103)	(355,999)
Other Financing Sources:			
Transfers In	356,103	356,103	356,103
Total Other Financing Sources	356,103	356,103	356,103
Net Change In Fund Balance	\$ -	\$ -	104
Fund Balance, May 1			6,328
Fund Balance, April 30			\$ 6,432

See independent auditor's report.

City of St. Charles, Illinois

TIF District 3 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 408
Total Revenues	-	-	408
Expenditures:			
Principal Retirement	105,000	105,000	105,000
Interest and Fiscal Charges	133,328	133,328	133,328
Total Expenditures	238,328	238,328	238,328
Excess (Deficiency) of Revenues Over Expenditures	(238,328)	(238,328)	(237,920)
Other Financing Sources:			
Transfers In	121,334	120,462	120,462
Total Other Financing Sources	121,334	120,462	120,462
Net Change In Fund Balance	<u>(\$ 116,994)</u>	<u>(\$ 117,866)</u>	(117,458)
Fund Balance, May 1			<u>117,915</u>
Fund Balance, April 30			<u>\$ 457</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 3,318
Total Revenues	-	-	3,318
Expenditures:			
Interest and Fiscal Charges	163,500	163,500	163,500
Total Expenditures	163,500	163,500	163,500
Net Change In Fund Balance	<u>(\$ 163,500)</u>	<u>(\$ 163,500)</u>	(160,182)
Fund Balance, May 1			<u>328,274</u>
Fund Balance, April 30			<u>\$ 168,092</u>

See independent auditor's report.

City of St. Charles, Illinois
1997 General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues:			
Investment Income	\$ -	\$ -	\$ 14
Total Revenues	-	-	14
Expenditures:			
Principal Retirement	345,000	345,000	345,000
Interest and Fiscal Charges	159,245	159,245	159,245
Total Expenditures	504,245	504,245	504,245
Excess (Deficiency) of Revenues Over Expenditures	(504,245)	(504,245)	(504,231)
Other Financing Sources:			
Transfers In	504,245	504,245	477,335
Total Other Financing Sources	504,245	504,245	477,335
Net Change In Fund Balance	\$ -	\$ -	(26,896)
Fund Balance, May 1			262,923
Fund Balance, April 30			\$ 236,027

City of St. Charles, Illinois

1998 General Obligation Bond Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 26
Total Revenues	-	-	26
Expenditures:			
Principal Retirement	209,047	209,047	209,047
Interest and Fiscal Charges	100,233	100,233	100,233
Total Expenditures	309,280	309,280	309,280
Excess (Deficiency) of Revenues Over Expenditures	(309,280)	(309,280)	(309,254)
Other Financing Sources:			
Transfers In	309,280	309,280	309,280
Total Other Financing Sources	309,280	309,280	309,280
Net Change In Fund Balance	\$ -	\$ -	26
Fund Balance, May 1			1,600
Fund Balance, April 30			\$ 1,626

See independent auditor's report.

City of St. Charles, Illinois
1999 General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
Principal Retirement	145,128	145,128	145,128
Interest and Fiscal Charges	102,612	102,612	102,612
Total Expenditures	247,740	247,740	247,740
Excess (Deficiency) of Revenues Over Expenditures	(247,740)	(247,740)	(247,740)
Other Financing Sources:			
Transfers In	247,740	247,740	247,740
Total Other Financing Sources	247,740	247,740	247,740
Net Change In Fund Balance	\$ -	\$ -	-
Fund Balance, May 1			35
Fund Balance, April 30			\$ 35

See independent auditor's report.

City of St. Charles, Illinois
2000 General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 3
Total Revenues	-	-	3
Expenditures:			
Principal Retirement	575,000	575,000	575,000
Interest and Fiscal Charges	427,175	427,175	427,175
Total Expenditures	1,002,175	1,002,175	1,002,175
Excess (Deficiency) of Revenues Over Expenditures	(1,002,175)	(1,002,175)	(1,002,172)
Other Financing Sources:			
Transfers In	1,002,175	1,002,175	1,002,175
Total Other Financing Sources	1,002,175	1,002,175	1,002,175
Net Change In Fund Balance	\$ -	\$ -	3
Fund Balance, May 1			161
Fund Balance, April 30			\$ 164

See independent auditor's report.

City of St. Charles, Illinois

2002A General Obligation Bond Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
Principal Retirement	16,956	16,956	16,956
Interest and Fiscal Charges	10,461	10,461	10,461
Total Expenditures	27,417	27,417	27,417
Excess (Deficiency) of Revenues Over Expenditures	(27,417)	(27,417)	(27,417)
Other Financing Sources:			
Transfers In	27,417	27,417	27,417
Total Other Financing Sources	27,417	27,417	27,417
Net Change In Fund Balance	\$ -	\$ -	-
Fund Balance, May 1			-
Fund Balance, April 30			\$ -

See independent auditor's report.

City of St. Charles, Illinois
2004 General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 823
Total Revenues	-	-	823
Expenditures:			
None	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	823
Other Financing Sources:			
Issuance of Bonds	-	-	104,812
Total Other Financing Sources	-	-	104,812
Net Change In Fund Balance	\$ -	\$ -	105,635
Fund Balance, May 1			-
Fund Balance, April 30			\$ 105,635

See independent auditor's report.

Nonmajor Capital Projects Funds

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital equipment and facilities by the City except those financed by the Proprietary Funds.

Century Station - to account for the resources used for the acquisition and renovation of property for the Fire Department and other City services.

Redgate Bridge - to account for the resources used for the construction of a new bridge.

Fire Station - to account for the resources used for the construction of a new city fire station project.

West Side Parking Deck - to account for the resources used for the construction of public improvements for the West Side Parking Deck.

Public Works Garage - to account for the resources used for the construction of a new public works complex and various municipal improvements.

Special Service Area #21 - to account for the resources used for the construction of public improvements for the Special Service Area #21.

TIF District 4 - to account for the resources used for the construction of public improvements for the First Street Development project.

TIF District 5 - to account for the resources used for the construction of public improvements for the property known as the St. Charles Manufacturing area.

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Capital Projects Funds

April 30, 2005

<u>Assets</u>	<u>Century Station</u>	<u>Redgate Bridge</u>	<u>Fire Station</u>	<u>West Side Parking Deck</u>	<u>Public Works Garage</u>	<u>Special Service Area 21</u>	<u>TIF District 4</u>	<u>TIF District 5</u>	<u>Total</u>
Cash and Investments	\$ 522,296	\$ 1,898	\$ -	\$ -	\$ 14,111	\$ 772,082	\$ 6,497	\$ 2,299,175	\$ 3,616,059
Accounts Receivable	2,614	6,000	-	-	-	-	-	-	8,614
Due From Other Governments	-	294,727	-	-	-	-	-	-	294,727
Total Assets	<u>\$ 524,910</u>	<u>\$ 302,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,111</u>	<u>\$ 772,082</u>	<u>\$ 6,497</u>	<u>\$ 2,299,175</u>	<u>\$ 3,919,400</u>
<u>Liabilities and Fund Balance</u>									
<u>Liabilities</u>									
Accounts Payable	\$ 470,886	\$ 54,645	\$ -	\$ -	\$ 198,193	\$ -	\$ 3,928	\$ 250,000	\$ 977,652
Contracts Payable	52,718	-	-	-	5,940	-	-	-	58,658
Due to Other Funds	-	-	87,516	-	1,306,463	-	1,185,446	-	2,579,425
Total Liabilities	<u>523,604</u>	<u>54,645</u>	<u>87,516</u>	<u>-</u>	<u>1,510,596</u>	<u>-</u>	<u>1,189,374</u>	<u>250,000</u>	<u>3,615,735</u>
<u>Fund Balance</u>									
Reserved for Community Development	-	247,980	-	-	-	772,082	-	2,049,175	3,069,237
Unreserved (Deficit)	1,306	-	(87,516)	-	(1,496,485)	-	(1,182,877)	-	(2,765,572)
Total Fund Balance	<u>1,306</u>	<u>247,980</u>	<u>(87,516)</u>	<u>-</u>	<u>(1,496,485)</u>	<u>772,082</u>	<u>(1,182,877)</u>	<u>2,049,175</u>	<u>303,665</u>
Total Liabilities and Fund Balance	<u>\$ 524,910</u>	<u>\$ 302,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,111</u>	<u>\$ 772,082</u>	<u>\$ 6,497</u>	<u>\$ 2,299,175</u>	<u>\$ 3,919,400</u>

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Capital Projects Funds

For the Year Ended April 30, 2005

	Century Station	Redgate Bridge	Fire Station	West Side Parking Deck	Public Works Garage	Special Service Area 21	TIF District 4	TIF District 5	Total
Revenues:									
Grants	\$ -	\$ 294,727	\$ -	\$ -	\$ -	\$ -	\$ 101,639	\$ -	\$ 396,366
Investment Income	5,675	(20)	-	-	(462)	9,378	844	47,654	63,069
Miscellaneous Income	-	6,000	-	-	-	-	-	-	6,000
Total Revenues	<u>5,675</u>	<u>300,707</u>	<u>-</u>	<u>-</u>	<u>(462)</u>	<u>9,378</u>	<u>102,483</u>	<u>47,654</u>	<u>465,435</u>
Expenditures:									
Public Health and Safety:									
Contractual	390,589	-	87,516	-	-	-	-	-	478,105
Public Works:									
Contractual	-	294,727	-	-	1,565	-	335,792	1,500,000	2,132,084
Capital Outlay	<u>1,441,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,494,458</u>	<u>-</u>	<u>981,340</u>	<u>-</u>	<u>3,917,320</u>
Total Expenditures	<u>1,832,111</u>	<u>294,727</u>	<u>87,516</u>	<u>-</u>	<u>1,496,023</u>	<u>-</u>	<u>1,317,132</u>	<u>1,500,000</u>	<u>6,527,509</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,826,436)</u>	<u>5,980</u>	<u>(87,516)</u>	<u>-</u>	<u>(1,496,485)</u>	<u>9,378</u>	<u>(1,214,649)</u>	<u>(1,452,346)</u>	<u>(6,062,074)</u>
Other Financing Sources:									
Issuance of Bonds	5,670,188	-	-	-	-	-	-	-	5,670,188
Discount on Bonds	(51,055)	-	-	-	-	-	-	-	(51,055)
Transfers In	90,143	242,000	-	-	-	-	186,413	-	518,556
Transfers Out	-	-	-	(138,445)	-	-	-	-	(138,445)
Total Other Financing Sources	<u>5,709,276</u>	<u>242,000</u>	<u>-</u>	<u>(138,445)</u>	<u>-</u>	<u>-</u>	<u>186,413</u>	<u>-</u>	<u>5,999,244</u>
Net Change In Fund Balances	<u>3,882,840</u>	<u>247,980</u>	<u>(87,516)</u>	<u>(138,445)</u>	<u>(1,496,485)</u>	<u>9,378</u>	<u>(1,028,236)</u>	<u>(1,452,346)</u>	<u>(62,830)</u>
Fund Balance, May 1	<u>(3,881,534)</u>	<u>-</u>	<u>-</u>	<u>138,445</u>	<u>-</u>	<u>762,704</u>	<u>(154,641)</u>	<u>3,501,521</u>	<u>366,495</u>
Fund Balance (Deficit), April 30	<u>\$ 1,306</u>	<u>\$ 247,980</u>	<u>(\$ 87,516)</u>	<u>\$ -</u>	<u>(\$1,496,485)</u>	<u>\$ 772,082</u>	<u>(\$1,182,877)</u>	<u>\$2,049,175</u>	<u>\$ 303,665</u>

See independent auditor's report.

City of St. Charles, Illinois

Century Station Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 5,675
Total Revenues	-	-	5,675
Expenditures:			
Public Health and Safety:			
Contractual	496,500	748,406	390,589
Capital Outlay	5,435,151	1,977,100	1,441,522
Total Expenditures	5,931,651	2,725,506	1,832,111
Excess (Deficiency) of Revenues Over Expenditures	(5,931,651)	(2,725,506)	(1,826,436)
Other Financing Sources:			
Issuance of Bonds	7,026,551	7,026,551	5,670,188
Discount on Bonds	-	-	(51,055)
Transfers In	-	90,143	90,143
Total Other Financing Sources	7,026,551	7,116,694	5,709,276
Net Change In Fund Balance	<u>\$1,094,900</u>	<u>\$4,391,188</u>	3,882,840
Fund Balance (Deficit), May 1			<u>(3,881,534)</u>
Fund Balance, April 30			<u>\$ 1,306</u>

See independent auditor's report.

City of St. Charles, Illinois

Redgate Bridge Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Grants	\$ -	\$ -	\$ 294,727
Investment Income	-	-	(20)
Miscellaneous	-	-	6,000
Total Revenues	-	-	300,707
Expenditures:			
Public Works:			
Contractual	-	321,230	294,727
Total Expenditures	-	321,230	294,727
Excess (Deficiency) of Revenues Over Expenditures	-	(321,230)	5,980
Other Financing Sources:			
Transfers In	-	-	242,000
Total Other Financing Sources	-	-	242,000
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 321,230)</u>	247,980
Fund Balance, May 1			-
Fund Balance, April 30			<u>\$ 247,980</u>

See independent auditor's report.

City of St. Charles, Illinois

Fire Station Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
Public Health and Safety:			
Contractual	-	87,520	87,516
Total Expenditures	-	87,520	87,516
Net Change In Fund Balance	\$ -	(\$ 87,520)	(87,516)
Fund Balance, May 1			-
Fund Balance (Deficit), April 30			(\$ 87,516)

See independent auditor's report.

City of St. Charles, Illinois

West Side Parking Deck Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
None	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other Financing Sources:			
Transfers Out	-	(138,445)	(138,445)
Total Other Financing Sources	-	(138,445)	(138,445)
Net Change In Fund Balance	\$ -	(\$ 138,445)	(138,445)
Fund Balance, May 1			138,445
Fund Balance, April 30			\$ -

See independent auditor's report.

City of St. Charles, Illinois

Public Works Garage Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	(\$ 462)
Total Revenues	-	-	(462)
Expenditures:			
Public Works:			
Contractual	-	2,065	1,565
Capital Outlay	13,500,000	1,644,000	1,494,458
Total Expenditures	13,500,000	1,646,065	1,496,023
Excess (Deficiency) of Revenues Over Expenditures	\$13,500,000	(\$1,646,065)	(\$1,496,485)
Other Financing Sources:			
Issuance of Bonds	13,500,000	13,500,000	-
Total Other Financing Sources	13,500,000	13,500,000	-
Net Change In Fund Balance	\$ -	\$11,853,935	(1,496,485)
Fund Balance, May 1			-
Fund Balance (Deficit), April 30			(\$1,496,485)

See independent auditor's report.

City of St. Charles, Illinois

Special Service Area 21 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 9,378
Total Revenues	-	-	9,378
Expenditures:			
None	-	-	-
Total Expenditures	-	-	-
Net Change In Fund Balance	\$ -	\$ -	9,378
Fund Balance, May 1			762,704
Fund Balance, April 30			\$ 772,082

See independent auditor's report.

City of St. Charles, Illinois

TIF District 4 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Grants	\$ -	\$ -	\$ 101,639
Investment Income	-	-	844
Total Revenues	-	-	102,483
Expenditures:			
Public Works:			
Contractual	100,000	334,647	335,792
Capital Outlay	2,919,556	1,331,340	981,340
Total Expenditures	3,019,556	1,665,987	1,317,132
Excess (Deficiency) of Revenues Over Expenditures	(3,019,556)	(1,665,987)	(1,214,649)
Other Financing Sources:			
Issuance of Bonds	3,019,556	3,019,556	-
Transfers In	-	186,413	186,413
Total Other Financing Sources	3,019,556	3,205,969	186,413
Net Change In Fund Balance	\$ -	\$1,539,982	(1,028,236)
Fund Balance (Deficit), May 1			(154,641)
Fund Balance (Deficit), April 30			(\$1,182,877)

See independent auditor's report.

City of St. Charles, Illinois

TIF District 5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 47,654
Total Revenues	-	-	47,654
Expenditures:			
Public Works:			
Contractual	3,000,000	1,500,000	1,500,000
Total Expenditures	3,000,000	1,500,000	1,500,000
Net Change In Fund Balance	<u>\$3,000,000</u>	<u>(\$1,500,000)</u>	(1,452,346)
Fund Balance, May 1			<u>3,501,521</u>
Fund Balance, April 30			<u>\$2,049,175</u>

See independent auditor's report.

Internal Service Funds

Internal Service Funds are used to finance and account for services and/or commodities furnished by a designated fund or department to other funds or departments within the City.

Health Insurance - used to account for self-insurance activity related to health insurance.

Worker's Compensation Liability Insurance - used to account for the self-insurance related to worker's compensation, property, casualty and crime.

Inventory - used to account for acquisition of materials and supplies inventory that is provided to the various City funds on a cost-reimbursement basis.

Motor Vehicle Replacement - used to account for the rental of motor vehicles to the various City funds.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Net Assets

April 30, 2005

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Total
Assets					
Cash and Investments	\$ 140,375	\$ 963,462	\$ 238,825	\$ 846,143	\$2,188,805
Miscellaneous Receivables	9,175	-	-	-	9,175
Inventory (net of allowance for excess and obsolete inventory of \$90,000)	-	-	2,772,088	-	2,772,088
Accrued Interest on Investments	-	-	-	2,172	2,172
Prepaid Items	9,877	-	325	895	11,097
Capital Assets Being Depreciated	-	-	29,839	6,031,490	6,061,329
Accumulated Depreciation	-	-	(12,018)	(3,232,098)	(3,244,116)
Total Assets	159,427	963,462	3,029,059	3,648,602	7,800,550
Liabilities					
Accounts Payable	5,910	10,230	69,524	11,101	96,765
Claims Payable	241,384	812,549	21,387	314	1,075,634
Accrued Salaries	-	-	6,378	6,673	13,051
Advances from Other Funds	-	-	-	235,173	235,173
Accrued Compensated Absences	-	-	47,425	22,114	69,539
Total Liabilities	247,294	822,779	144,714	275,375	1,490,162
Net Assets					
Invested in Capital Assets	-	-	17,821	2,799,392	2,817,213
Unrestricted (Deficit)	(87,867)	140,683	2,866,524	573,835	3,493,175
Total Net Assets	(\$ 87,867)	\$ 140,683	\$2,884,345	\$3,373,227	\$6,310,388

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2005

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Total
Operating Revenues:					
Insurance Premiums	\$2,966,056	\$ 567,597	\$ -	\$ -	\$3,533,653
Rental Income	-	-	-	747,040	747,040
Sale of Inventory	-	-	3,002,560	-	3,002,560
Miscellaneous	-	10,618	910,250	1,262,248	2,183,116
Total Operating Revenues	2,966,056	578,215	3,912,810	2,009,288	9,466,369
Operating Expenses:					
Personal Services	-	-	359,417	450,756	810,173
Fleet Maintenance	-	-	-	752,657	752,657
Insurance Claims	2,330,417	865,704	-	-	3,196,121
Insurance Premiums	246,174	290,291	-	-	536,465
Cost of Inventory	-	-	3,002,559	-	3,002,559
Provision for Depreciation	-	-	4,973	498,808	503,781
Miscellaneous	352,782	63,778	397,980	-	814,540
Total Operating Expenses	2,929,373	1,219,773	3,764,929	1,702,221	9,616,295
Operating Income (Loss)	36,683	(641,558)	147,881	307,067	(149,927)
Non-Operating Revenues:					
Gain (Loss) on Sale of Property	-	-	-	76,958	76,958
Investment Income	(901)	13,609	1,642	12,914	27,264
Total Non-Operating Revenues	(901)	13,609	1,642	89,872	104,222
Net Income (Loss) before Transfers	35,782	(627,949)	149,523	396,939	(45,705)
Transfers:					
Transfers Out	-	-	-	(12,422)	(12,422)
Total Transfers	-	-	-	(12,422)	(12,422)
Net Income (Loss)	35,782	(627,949)	149,523	384,517	(58,127)
Net Assets (Deficit), May 1	(123,649)	768,632	2,734,822	2,988,710	6,368,515
Net Assets (Deficit), April 30	(\$ 87,867)	\$ 140,683	\$2,884,345	\$3,373,227	\$6,310,388

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Cash Flows

For the Year Ended April 30, 2005

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Total
Cash Flows from Operating Activities					
Receipts from Interfund Services	\$ 2,966,056	\$ 567,597	\$ 3,002,560	\$ 747,040	\$ 7,283,253
Receipts from Miscellaneous Revenue	-	10,618	910,250	1,262,248	2,183,116
Payments to Suppliers	(2,860,542)	(838,650)	(3,511,519)	(753,169)	(7,963,880)
Payments to Employees	-	-	(354,133)	(442,274)	(796,407)
Net Cash from Operating Activities	105,514	(260,435)	47,158	813,845	706,082
Cash Flows from Noncapital Financing Activities					
Advance from Other Funds	-	-	-	(26,910)	(26,910)
Transfers Out	-	-	-	(12,422)	(12,422)
Net Cash from Noncapital Financing Activities	-	-	-	(39,332)	(39,332)
Cash Flows from Capital and Related Financing Activities					
Capital Assets Purchased	-	-	-	(552,248)	(552,248)
Sale of Capital Assets	-	-	-	83,061	83,061
Net Cash from Capital and Related Financing Activities	-	-	-	(469,187)	(469,187)
Cash Flows from Investing Activities					
Purchase of Investments	-	(400,000)	-	(197,000)	(597,000)
Interest Received	(901)	13,609	1,642	10,742	25,092
Net Cash from Investing Activities	(901)	(386,391)	1,642	(186,258)	(571,908)
Net Increase (Decrease) in Cash and Cash Equivalents	104,613	(646,826)	48,800	119,068	(374,345)
Cash and Cash Equivalents, May 1	35,762	1,210,288	190,025	530,075	1,966,150
Cash and Cash Equivalents, April 30	\$ 140,375	\$ 563,462	\$ 238,825	\$ 649,143	\$ 1,591,805
Cash and Investments					
Cash and Cash Equivalents	\$ 140,375	\$ 563,462	\$ 238,825	\$ 649,143	\$ 1,591,805
Investments	-	400,000	-	197,000	597,000
Total Cash and Investments	\$ 140,375	\$ 963,462	\$ 238,825	\$ 846,143	\$ 2,188,805
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 36,683	\$ (641,558)	\$ 147,881	\$ 307,067	\$ (149,927)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities					
Depreciation	-	-	4,973	498,808	503,781
Changes in Assets and Liabilities					
Receivables	(9,175)	-	-	-	(9,175)
Inventory	-	-	(129,401)	-	(129,401)
Prepays	(9,877)	-	(325)	(895)	(11,097)
Accounts and Claims Payable	87,883	381,123	18,745	383	488,134
Accrued Salaries	-	-	(75)	480	405
Compensated Absences Payable	-	-	5,360	8,002	13,362
Net Cash from Operating Activities	\$ 105,514	\$ (260,435)	\$ 47,158	\$ 813,845	\$ 706,082

See independent auditor's report.

Fiduciary Funds

Fiduciary Funds consist of resources received from non-City sources and held by the City as trustee or agent to be expended or invested in accordance with the conditions of the trust or in its agency capacity.

Pension Trust Funds

Police and Fire Pension - provides for payment of retirement benefits. Funding comes from City contributions and employee contributions.

Agency Funds

Tri-City Ambulance - accounts for the operations of the Tri-City Ambulance Service, funded through charges to the Cities of St. Charles, Geneva and Batavia.

SSA 21 Bond Issue - accounts for payment of interest and principal on debt used to finance multiple capital construction projects.

Special Assessment - this fund accounts for the collections of special assessment payments from property owners and the subsequent payment to bondholders. This fund was closed during the year ended April 30, 2005.

City of St. Charles, Illinois
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
April 30, 2005

	<u>Pension Trust Funds</u>			<u>Agency Funds</u>
	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>	
Assets				
Cash and Short-Term Investments	\$ 2,532,983	\$ 254,052	\$ 2,787,035	\$ 1,067,417
Investments, at Fair Value				
Certificates of Deposit	1,180,710	-	1,180,710	
U.S. Treasury and Agency Securities	6,457,062	12,981,053	19,438,115	-
Insurance Contracts	1,177,108	-	1,177,108	-
Mutual Funds	2,056,313	1,546,475	3,602,788	-
Equity Securities	5,965,125	-	5,965,125	
Receivables				
Accounts Receivable	-	13	13	507,279
Accrued Interest on Investments	49,521	93,775	143,296	-
Prepaid Items	26,960	-	26,960	-
Total Assets	19,445,782	14,875,368	34,321,150	1,574,696
Liabilities				
Accounts Payable	1,714	-	1,714	2,037
Due to Other Governments	-	-	-	1,234,963
Due to Bondholders	-	-	-	337,696
Total Liabilities	1,714	-	1,714	\$ 1,574,696
Net Assets Held In Trust For Pension Benefits	\$19,444,068	\$14,875,368	\$34,319,436	

See independent auditor's report.

City of St. Charles, Illinois

Pension Trust Funds

Combining Statement of Changes in Plan Net Assets

For the Year Ended April 30, 2005

	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Additions:			
Contributions -			
Employer	\$ 886,342	\$ 429,061	\$ 1,315,403
Employee	388,565	307,287	695,852
Total Contributions	<u>1,274,907</u>	<u>736,348</u>	<u>2,011,255</u>
Investment Income -			
Net Appreciation (Depreciation) in the Fair Value of Investments	879,775	409,673	1,289,448
Interest	321,986	409,114	731,100
Total Investment Income	<u>1,201,761</u>	<u>818,787</u>	<u>2,020,548</u>
Less Investment Expense	<u>(117,257)</u>	<u>(2,743)</u>	<u>(120,000)</u>
Net Investment Income	<u>1,084,504</u>	<u>816,044</u>	<u>1,900,548</u>
Total Additions	<u>2,359,411</u>	<u>1,552,392</u>	<u>3,911,803</u>
Deductions:			
Pension Benefits	1,023,088	322,543	1,345,631
Miscellaneous	36,081	-	36,081
Total Deductions	<u>1,059,169</u>	<u>322,543</u>	<u>1,381,712</u>
Net Increase	1,300,242	1,229,849	2,530,091
Net Assets Held In Trust For Pension Benefits			
May 1	<u>18,143,826</u>	<u>13,645,519</u>	<u>31,789,345</u>
April 30	<u>\$19,444,068</u>	<u>\$14,875,368</u>	<u>\$34,319,436</u>

See independent auditor's report.

City of St. Charles, Illinois
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended April 30, 2005

	Balance May 1	Additions	Deductions	Balance April 30
Tri-City Ambulance Fund:				
Assets -				
Cash and Investments	\$ 566,972	\$ 2,527,917	\$ 2,365,168	\$ 729,721
Accounts Receivable, net	471,339	2,630,128	2,594,188	507,279
	<u>\$ 1,038,311</u>	<u>\$ 5,158,045</u>	<u>\$ 4,959,356</u>	<u>\$ 1,237,000</u>
Liabilities -				
Accounts Payable	\$ -	\$ 2,037	\$ -	\$ 2,037
Due to Other Governments	1,038,311	3,099,975	2,903,323	1,234,963
	<u>\$ 1,038,311</u>	<u>\$ 3,102,012</u>	<u>\$ 2,903,323</u>	<u>\$ 1,237,000</u>
Special Service Area 21:				
Assets -				
Cash and Investments	\$ 329,055	\$ 304,853	\$ 296,212	\$ 337,696
	<u>\$ 329,055</u>	<u>\$ 304,853</u>	<u>\$ 296,212</u>	<u>\$ 337,696</u>
Liabilities -				
Due to Bondholders	\$ 329,055	\$ 304,853	\$ 296,212	\$ 337,696
	<u>\$ 329,055</u>	<u>\$ 304,853</u>	<u>\$ 296,212</u>	<u>\$ 337,696</u>
Special Assessment Fund:				
Assets -				
Cash and Investments	\$ 44,629	\$ 728	\$ 45,357	\$ -
	<u>\$ 44,629</u>	<u>\$ 728</u>	<u>\$ 45,357</u>	<u>\$ -</u>
Liabilities -				
Due to Bondholders	\$ 44,629	\$ -	\$ 44,629	\$ -
	<u>\$ 44,629</u>	<u>\$ -</u>	<u>\$ 44,629</u>	<u>\$ -</u>
Total:				
Assets -				
Cash and Investments	\$ 940,656	\$ 2,833,498	\$ 2,706,737	\$ 1,067,417
Accounts Receivable	471,339	2,630,128	2,594,188	507,279
	<u>\$ 1,411,995</u>	<u>\$ 5,463,626</u>	<u>\$ 5,300,925</u>	<u>\$ 1,574,696</u>
Liabilities -				
Accounts Payable	\$ -	\$ 2,037	\$ -	\$ 2,037
Due to Other Governments	1,038,311	3,099,975	2,903,323	1,234,963
Due to Bondholders	373,684	304,853	340,841	337,696
	<u>\$ 1,411,995</u>	<u>\$ 3,406,865</u>	<u>\$ 3,244,164</u>	<u>\$ 1,574,696</u>

See independent auditor's report.

Capital Assets Used in the Operation of Governmental Funds

Capital Assets used in the operation of Governmental Funds are those capital assets of a governmental jurisdiction, which are not accounted for in a Proprietary Fund.

City of St. Charles, Illinois

Governmental Funds - Capital Assets

Schedule by Source

April 30, 2005

Capital Assets

Land	\$51,882,503
Buildings	24,402,083
Improvements Other Than Buildings	70,344,661
Equipment	4,347,524
Construction in Progress	2,394,928
Accumulated Depreciation	<u>(42,244,863)</u>
	<u><u>\$111,126,836</u></u>

Investment in Capital Assets

Adjusted Balance, May 1	\$107,931,395
Current Year Additions	5,427,460
Current Year Depreciation	<u>(2,232,019)</u>
Balance, April 30	<u><u>\$111,126,836</u></u>

See independent auditor's report.

City of St. Charles, Illinois

Governmental Funds - Capital Assets

Schedule by Function and Activity

April 30, 2005

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:						
General Administration	\$ 2,937,775	\$ 7,216,945	\$ -	\$ 45,113	\$ -	\$10,199,833
Central Support Services	-	-	-	274,704	-	274,704
Total General Government	2,937,775	7,216,945	-	319,817	-	10,474,537
Public Health and Safety:						
Police Department	-	-	-	134,931	-	134,931
Fire Department	-	6,333,044	49,842	94,385	-	6,477,271
Total Public Health and Safety	-	6,333,044	49,842	229,316	-	6,612,202
Public Works:	48,944,728	10,852,094	70,294,819	3,798,391	-	133,890,032
Construction in Progress	-	-	-	-	2,394,928	2,394,928
Accumulated Depreciation	-	(4,456,194)	(37,069,280)	(719,389)	-	(42,244,863)
Total Capital Assets	\$51,882,503	\$19,945,889	\$33,275,381	\$ 3,628,135	\$ 2,394,928	\$111,126,836

See independent auditor's report.

City of St. Charles, Illinois

Governmental Funds - Capital Assets

Schedule of Changes by Function and Activity

For the Year Ended April 30, 2005

<u>Function and Activity</u>	<u>Capital Assets</u> <u>May 1</u>	<u>*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Capital Assets</u> <u>April 30</u>
General Government:						
General Administration	\$10,199,833	\$	-	\$	(\$ 2,778,551)	\$ 7,421,282
Central Support Services	<u>274,704</u>		<u>-</u>	<u>-</u>	<u>(257,892)</u>	<u>16,812</u>
Total General Government	<u>10,474,537</u>		<u>-</u>	<u>-</u>	<u>(3,036,443)</u>	<u>7,438,094</u>
Public Health and Safety:						
Police Department	134,931		-	-	(95,911)	39,020
Fire Department	<u>4,764,317</u>		<u>1,712,954</u>	<u>-</u>	<u>(277,321)</u>	<u>6,199,950</u>
Total Public Health and Safety	<u>4,899,248</u>		<u>1,712,954</u>	<u>-</u>	<u>(373,232)</u>	<u>6,238,970</u>
Public Works:	<u>132,416,536</u>		<u>1,473,496</u>	<u>-</u>	<u>(38,835,188)</u>	<u>95,054,844</u>
Construction in Progress:	<u>153,916</u>		<u>2,322,495</u>	<u>(81,483)</u>	<u>-</u>	<u>2,394,928</u>
Total Capital Assets	<u>\$147,944,237</u>	\$	<u>5,508,945</u>	<u>(\$ 81,483)</u>	<u>(\$42,244,863)</u>	<u>\$111,126,836</u>

*May 1, 2004 balances have been adjusted due to prior period adjustments for the capitalization of infrastructure.

Long-Term Debt Payable by Governmental Funds

Long-Term Debt Payable by Governmental Funds accounts for long-term debt legally payable from general revenues and backed by the full faith and credit of the City.

City of St. Charles, Illinois

Long-Term Debt Payable by Governmental Funds

Schedule of General Long-Term Debt

April 30, 2005

	<u>Debit Balance</u>	<u>Credit Balance</u>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 490,610	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	2,905,210	-
General Obligation Bond Principal	35,253,282	-
Installment Purchase Contracts	920,623	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	2,905,210
General Obligation Bond Principal	-	35,743,892
Installment Purchase Contracts	-	920,623
	<u>\$39,569,725</u>	<u>\$39,569,725</u>

See independent auditor's report.

City of St. Charles, Illinois

General Corporate Fund

Balance Sheet

April 30, 2005

Assets

Cash and Investments		\$9,193,103
Receivables		
Property Taxes, net	9,772,382	
Accrued Interest on Investments	60,492	
Miscellaneous, net	<u>414,779</u>	10,247,653
Prepaid Items		151,148
Due From Other Funds		2,579,425
Due From Other Governments		4,054,051
Advance to Other Funds		883,347
Restricted Cash and Investments		<u>428,627</u>
Total Assets		<u><u>\$27,537,354</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable		\$ 1,061,967
Accrued Salaries		311,083
Escrows and Refundable Deposits		436,721
Deferred Revenue		
Property Taxes	9,772,382	
Other Deferred Revenue	<u>248,253</u>	10,020,635
Total Liabilities		<u>11,830,406</u>

Fund Balance

Reserved for Retirement Obligations		77,450
Reserved for Ambulance Service		19,910
Reserved for Mental Health		43,274
Reserved for Special Service Areas		16,842
Reserved for Prepaid Items		151,148
Reserved for Capital Outlay		428,627
Reserved for Advances to Other Funds		883,347
Unreserved		<u>14,086,350</u>
Total Fund Balance		<u>15,706,948</u>
Total Liabilities and Fund Balance		<u><u>\$27,537,354</u></u>

See independent auditor's report.

City of St. Charles, Illinois
General Corporate Fund
Schedule of Detailed Expenditures - Budget and Actual
For the Year Ended April 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
General Government:			
General Administrative-			
Office of the Mayor-			
Personal Services	\$ 85,102	\$ 85,102	\$ 86,610
Contractual Services	17,400	26,200	23,667
Materials and Supplies	18,700	19,697	18,446
Capital Outlay	3,400	3,400	2,789
Allocations To Other Funds	(83,280)	(83,280)	(73,432)
	<u>41,322</u>	<u>51,119</u>	<u>58,080</u>
City Council-			
Personal Services	55,033	55,033	46,893
Contractual Services	62,806	62,807	54,683
Materials and Supplies	68,800	66,123	13,545
Allocations To Other Funds	(85,014)	(85,014)	(103,126)
	<u>101,625</u>	<u>98,949</u>	<u>11,995</u>
City Administrator-			
Personal Services	369,832	369,232	372,279
Contractual Services	779,881	857,837	720,730
Materials and Supplies	13,037	23,739	22,227
Capital Outlay	9,870	44,733	32,039
Allocations To Other Funds	(225,377)	(225,377)	(229,980)
	<u>947,243</u>	<u>1,070,164</u>	<u>917,295</u>
City Clerk-			
Personal Services	4,844	4,844	4,930
Contractual Services	2,700	2,700	2,604
Capital Outlay	3,400	3,400	-
	<u>10,944</u>	<u>10,944</u>	<u>7,534</u>
City Treasurer-			
Personal Services	1,938	1,938	1,973
Contractual Services	3,500	3,500	2,926
Capital Outlay	3,900	3,900	-
Allocations To Other Funds	(5,206)	(5,206)	(1,922)
	<u>4,132</u>	<u>4,132</u>	<u>2,977</u>
Board of Police and Fire-			
Contractual Services	19,190	18,190	14,938
Materials and Supplies	800	800	508
	<u>19,990</u>	<u>18,990</u>	<u>15,446</u>
Total General Administrative	<u>1,125,256</u>	<u>1,254,298</u>	<u>1,013,327</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
General Government (continued):			
Central Support Services-			
Purchasing-			
Personal Services	\$ 159,680	\$ 159,680	\$ 167,061
Contractual Services	93,865	91,069	77,733
Materials and Supplies	34,110	31,025	23,225
Capital Outlay	-	5,881	6,030
Miscellaneous	198	198	127
Allocations To Other Funds	(218,458)	(218,458)	(244,070)
	<u>69,395</u>	<u>69,395</u>	<u>30,106</u>
Human Resources-			
Personal Services	562,644	557,564	530,328
Contractual Services	130,690	144,690	116,748
Materials and Supplies	102,950	105,075	91,830
Capital Outlay	1,300	2,350	2,872
Miscellaneous	183	183	139
Allocations To Other Funds	(248,786)	(248,786)	(262,654)
	<u>548,981</u>	<u>561,076</u>	<u>479,263</u>
Information Systems			
Personal Services	977,961	899,461	868,709
Contractual Services	219,920	149,883	109,151
Materials and Supplies	184,021	170,476	230,331
Capital Outlay	249,750	153,186	103,642
Miscellaneous	2,588	2,588	3,319
Allocations To Other Funds	(628,641)	(628,641)	(479,281)
	<u>1,005,599</u>	<u>746,953</u>	<u>835,871</u>
Finance Administration			
Personal Services	937,156	914,249	931,064
Contractual Services	513,788	231,359	189,189
Materials and Supplies	39,637	60,212	44,921
Capital Outlay	16,700	16,955	9,805
Miscellaneous	905	905	1,937
Allocations To Other Funds	(910,190)	(910,190)	(986,907)
	<u>597,996</u>	<u>313,490</u>	<u>190,009</u>
Total Central Support Services	<u>2,221,971</u>	<u>1,690,914</u>	<u>1,535,249</u>
Total General Government	<u>3,347,227</u>	<u>2,945,212</u>	<u>2,548,576</u>
Public Health and Safety:			
Police Department-			
Administration-			
Personal Services	2,252,263	2,247,553	2,235,725
Contractual Services	696,180	912,627	763,163
Materials and Supplies	94,135	95,735	95,690
Capital Outlay	61,470	470,040	49,328
Miscellaneous	1,405	1,405	4,231
	<u>3,105,453</u>	<u>3,727,360</u>	<u>3,148,137</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Public Health and Safety (Continued):			
Police Department (Continued)-			
Police Operations-			
Personal Services	\$ 4,662,947	\$ 4,662,947	\$ 4,663,680
Contractual Services	418,786	388,786	393,084
Materials and Supplies	96,600	96,600	113,608
Capital Outlay	784,010	256,015	237,408
Miscellaneous	12,268	12,268	26,500
	<u>5,974,611</u>	<u>5,416,616</u>	<u>5,434,280</u>
Total Police Department	<u>9,080,064</u>	<u>9,143,976</u>	<u>8,582,417</u>
Fire Department-			
Administration-			
Personal Services	885,798	869,310	915,291
Contractual Services	149,270	143,748	138,794
Materials and Supplies	23,800	13,125	13,739
Miscellaneous	444	444	469
	<u>1,059,312</u>	<u>1,026,627</u>	<u>1,068,293</u>
Fire Suppression-			
Personal Services	688,115	688,115	575,484
Contractual Services	65,960	101,143	83,146
Materials and Supplies	11,953	12,453	11,518
Miscellaneous	36	36	33
	<u>766,064</u>	<u>801,747</u>	<u>670,181</u>
Fire Station Activities-			
Personal Services	2,586,901	2,586,901	2,774,325
Contractual Services	328,603	362,703	359,664
Materials and Supplies	129,373	160,128	159,815
Capital Outlay	200,700	331,822	129,728
Miscellaneous	8,096	8,096	16,738
	<u>3,253,673</u>	<u>3,449,650</u>	<u>3,440,270</u>
Fire Training-			
Personal Services	584,775	574,775	631,567
Contractual Services	2,000	2,000	-
Materials and Supplies	7,800	6,700	4,248
	<u>594,575</u>	<u>583,475</u>	<u>635,815</u>
Fire Prevention-			
Personal Services	448,855	456,015	385,805
Contractual Services	18,700	18,700	16,220
Capital Outlay	12,300	12,300	11,667
	<u>479,855</u>	<u>487,015</u>	<u>413,692</u>
Emergency Medical Services-			
Personal Services	372,563	372,563	234,908
Contractual Services	503,365	505,628	502,109
Materials and Supplies	2,110	2,110	782
Capital Outlay	20,000	20,000	38,488
	<u>898,038</u>	<u>900,301</u>	<u>776,287</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Public Health and Safety (Continued):			
Fire Department (Continued)-			
Emergency Service and Disaster-			
Personal Services	\$ 72,199	\$ 76,015	\$ 74,978
Contractual Services	26,493	26,871	34,082
Materials and Supplies	7,675	6,959	7,879
Capital Outlay	48,700	51,500	51,049
	<u>155,067</u>	<u>161,345</u>	<u>167,988</u>
Total Fire Department	<u>7,206,584</u>	<u>7,410,160</u>	<u>7,172,526</u>
Public Health Planning			
Contractual Services	<u>588,856</u>	<u>596,719</u>	<u>599,981</u>
	<u>588,856</u>	<u>596,719</u>	<u>599,981</u>
Total Public Health and Safety	<u>16,875,504</u>	<u>17,150,855</u>	<u>16,354,924</u>
Public Works:			
Administration-			
Personal Services	407,591	406,983	448,045
Contractual Services	80,249	84,970	78,932
Materials and Supplies	5,731	7,739	7,531
Capital Outlay	6,112	4,112	12,026
Miscellaneous	285	285	511
Allocations To Other Funds	<u>(52,352)</u>	<u>(52,352)</u>	<u>(103,992)</u>
	<u>447,616</u>	<u>451,737</u>	<u>443,053</u>
Engineering-			
Personal Services	678,500	673,698	668,818
Contractual Services	102,712	87,084	99,358
Materials and Supplies	23,502	23,502	19,215
Capital Outlay	23,400	28,200	22,142
Miscellaneous	531	531	1,152
Allocations To Other Funds	<u>(302,165)</u>	<u>(302,165)</u>	<u>(271,776)</u>
	<u>526,480</u>	<u>510,850</u>	<u>538,909</u>
Street and Bridge Maintenance-			
Personal Services	1,335,882	1,355,882	1,408,569
Contractual Services	2,303,272	2,301,822	2,114,450
Materials and Supplies	553,441	562,973	576,389
Capital Outlay	68,950	67,771	66,506
Miscellaneous	19,094	19,094	35,494
Allocations To Other Funds	<u>(528,976)</u>	<u>(528,976)</u>	<u>(450,080)</u>
	<u>3,751,663</u>	<u>3,778,566</u>	<u>3,751,328</u>
Storm Sewer Maintenance-			
Personal Services	281,285	303,285	268,773
Contractual Services	50,153	28,153	17,903
Materials and Supplies	94,923	96,976	78,631
Capital Outlay	89,000	89,000	87,285
Miscellaneous	21,346	21,346	22,872
	<u>536,707</u>	<u>538,760</u>	<u>475,464</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Public Works (Continued):			
Street and Bridge Engineering-			
Contractual Services	\$ 493,140	\$ 448,140	\$ 1,023,436
Capital Outlay	990,700	634,761	-
Miscellaneous	-	-	2,652
	<u>1,483,840</u>	<u>1,082,901</u>	<u>1,026,088</u>
Snow and Ice Removal-			
Personal Services	209,938	187,938	170,275
Contractual Services	42,000	42,000	42,594
Materials and Supplies	210,172	210,172	178,515
Capital Outlay	7,500	7,500	5,101
Miscellaneous	841	841	1,178
	<u>470,451</u>	<u>448,451</u>	<u>397,663</u>
Street Cleaning-			
Personal Services	122,007	122,007	97,286
Contractual Services	54,276	54,276	54,276
Materials and Supplies	7,700	7,700	9,168
Miscellaneous	1,471	1,471	2,962
	<u>185,454</u>	<u>185,454</u>	<u>163,692</u>
Buildings and Grounds-			
Personal Services	570,266	559,566	580,359
Contractual Services	1,028,628	1,119,714	1,066,224
Materials and Supplies	108,031	111,631	101,563
Capital Outlay	148,695	25,545	25,530
Miscellaneous	9,049	9,049	16,048
Allocations To Other Funds	(306,995)	(306,995)	(466,738)
	<u>1,557,674</u>	<u>1,518,510</u>	<u>1,322,986</u>
Curbs and Sidewalks-			
Personal Services	352,344	352,344	301,133
Contractual Services	110,250	102,715	102,714
Materials and Supplies	125,157	122,657	130,270
Capital Outlay	4,000	4,000	-
Miscellaneous	1,053	1,053	1,050
	<u>592,804</u>	<u>582,769</u>	<u>535,167</u>
Total Public Works	<u>9,552,689</u>	<u>9,097,998</u>	<u>8,654,350</u>
Community Development:			
Planning Services-			
Personal Services	414,501	414,501	429,986
Contractual Services	370,313	366,978	320,558
Materials and Supplies	10,509	10,509	3,187
Capital Outlay	6,100	2,727	2,648
Allocations To Other Funds	(49,277)	(49,277)	(59,698)
	<u>752,146</u>	<u>745,438</u>	<u>696,681</u>

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>
Community Development (Continued):			
Planning Commission-			
Personal Services	\$ 1,700	\$ 1,700	\$ 620
Contractual Services	15,000	17,250	15,801
Materials and Supplies	650	650	32
	<u>17,350</u>	<u>19,600</u>	<u>16,453</u>
Building and Zoning Inspections-			
Personal Services	657,728	653,278	628,235
Contractual Services	45,489	48,705	44,551
Materials and Supplies	92,650	27,384	27,261
Capital Outlay	3,300	5,175	8,050
Miscellaneous	1,051	1,051	1,715
Allocations To Other Funds	(64,336)	(64,336)	(52,087)
	<u>735,882</u>	<u>671,257</u>	<u>657,725</u>
Zoning Board of Appeals-			
Personal Services	1,100	1,100	238
Contractual Services	5,500	5,250	4,687
	<u>6,600</u>	<u>6,350</u>	<u>4,925</u>
Economic Development			
Personal Services	223,198	222,398	215,082
Contractual Services	150,795	228,358	79,685
Materials and Supplies	4,971	5,771	4,959
Capital Outlay	3,300	1,754	1,754
Allocations To Other Funds	(59,407)	(59,407)	(134,572)
	<u>322,857</u>	<u>398,874</u>	<u>166,908</u>
Total Community Development	<u>1,834,835</u>	<u>1,841,519</u>	<u>1,542,692</u>
Debt Service:			
Principal	140,362	175,362	175,362
Interest and Fiscal Charges	31,866	31,866	31,866
	<u>172,228</u>	<u>207,228</u>	<u>207,228</u>
Total Expenditures	<u>31,782,483</u>	<u>31,242,812</u>	<u>29,307,770</u>
Transfers Out:			
Refuse	106,511	106,511	221,787
Subsidized Transportation	301,706	323,533	156,689
Electric	65,000	65,000	62,290
Debt Service	2,289,525	2,531,525	2,466,850
	<u>2,762,742</u>	<u>3,026,569</u>	<u>2,907,616</u>
Total Expenditures and Other Financing Uses	<u>\$34,545,225</u>	<u>\$34,269,381</u>	<u>\$32,215,386</u>

See independent auditor's report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85-1142

The Honorable Mayor
Members of the City Council
City of St. Charles, Illinois

We have audited the basic financial statements of the City of St. Charles, Illinois as of and for the year ended April 30, 2005, and have issued our report thereon dated August 29, 2005. The financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Downtown Redevelopment TIF District and the Moline TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our audit was made in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The City of St. Charles, Illinois' management is responsible for the government's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the government's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

The results of our test indicate that for the items tested, the City of St. Charles, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

Sikich Gardner & Co LLP

Aurora, Illinois
August 29, 2005

City of St. Charles, Illinois

Government-Wide Revenues

For the Year Ended April 30, 2005

(Unaudited)

	<u>2005</u>	<u>2004</u>
Program Revenues		
Charges for Services	\$ 46,343,595	\$ 45,330,035
Operating Grants	1,099,495	906,906
Capital Grants	359,406	185,335
General Revenues		
Taxes	32,917,517	29,268,080
Investment Income	737,639	523,123
Connection Charges	567,281	899,884
Miscellaneous	745,168	1,007,532
Gain on Sale of Capital Assets	107,855	153,229
Contributions	720,687	4,838,738
Total Revenues	<u>\$ 83,598,643</u>	<u>\$ 83,112,862</u>

Note: The City implemented GASB S-34 for the fiscal year ended April 30, 2004.

Data Source

City Records

City of St. Charles, Illinois

Government-Wide Expenses by Function

For the Year Ended April 30, 2005

(Unaudited)

	<u>2005</u>	<u>2004</u>
Governmental Activities		
General Government	\$ 2,956,654	\$ 2,645,240
Public Health and Safety	16,838,854	15,244,895
Public Works	12,678,531	9,968,410
Community Development	1,544,190	1,585,173
Interest	<u>1,538,765</u>	<u>1,444,074</u>
Total governmental activities	<u>35,556,994</u>	<u>30,887,792</u>
Business-Type Activities		
Electric	33,562,224	32,992,279
Water	3,754,829	3,416,200
Sewer	5,889,733	5,843,212
Refuse	<u>663,533</u>	<u>612,022</u>
Total business-type activities	<u>43,870,319</u>	<u>42,863,713</u>
Total Primary Government	<u>\$ 79,427,313</u>	<u>\$ 73,751,505</u>

Note: The City implemented GASB S-34 for the fiscal year ended April 30, 2004.

Data Source

City Records

City of St. Charles, Illinois

General Corporate Fund Revenues By Source

Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales and Use Tax</u>	<u>Electric Franchise Fee</u>	<u>State Income Tax</u>	<u>Licenses and Permits</u>	<u>Service Charges</u>	<u>Investment Income</u>
Ending April 30-							
1996	\$1,174,164	\$8,317,179	\$1,269,112	\$1,431,241	\$300,703	\$939,383	\$207,344
1997	1,261,868	8,575,010	1,186,035	1,537,582	325,035	1,043,525	237,549
1998	1,103,550	8,386,800	1,175,753	1,737,015	363,168	1,326,910	196,984
1999	2,466,589 (1)	9,407,349	1,258,018	1,847,237	594,007	1,420,040	103,307
2000	2,565,217	10,101,443	1,320,811	1,943,984	713,646	1,885,347	247,556
2001	3,161,434	10,677,793	1,386,815	2,080,108	798,396	1,918,098	434,600
2002	5,072,899	10,888,340	1,515,932 (4)	1,962,743	749,020	1,621,623	239,129
2003	6,437,849	11,497,598	1,630,494	1,822,726	804,284	1,550,730	219,990
2004	8,355,263	12,535,325	1,581,833	1,769,025	749,547	1,738,904	65,669
2005	9,231,770	15,217,706 (7)	1,614,553	2,155,151	773,173	1,757,310	112,696

<u>Fiscal Year</u>	<u>Federal and State Grants</u>	<u>Other Taxes</u>	<u>Fines and Court Fees</u>	<u>Charges to other Funds</u>	<u>Personal Property Replacement Taxes</u>	<u>Miscellaneous</u>	<u>Total</u>
Ending April 30-							
1996	\$86,595	\$588,624 (2)	\$176,475	\$2,223,247	\$58,281	\$366,978	\$17,666,804
1997	85,662	742,825	174,722	2,223,648	60,042	562,279	18,139,358
1998	86,456	798,217	171,454	2,421,420	66,216	520,598	21,160,907
1999	89,776	1,422,885 (3)	218,419	3,012,125	69,726	1,157,063	24,747,998
2000	72,385	1,854,386	312,051	2,871,291	74,932	613,761	26,256,050
2001	144,321	1,653,747	798,396	3,130,293	70,176	752,512	28,599,131
2002	103,298	2,797,787	227,311	3,194,864	66,070	550,681	30,903,682
2003	137,890	3,441,809	190,732	3,470,666	54,010	665,177	38,822,636
2004	218,944	4,442,917 (6)	204,199	- (5)	59,983	543,825	32,265,434
2005	100,149	4,015,665	256,476	-	68,379	438,198	35,741,226

Data Sources: General Ledger

- (1) Increase due to implementation of GASB 27, which reports pension taxes in the General Corporate Fund.
- (2) Increase is due to Hotel Tax now being collected through the General Corporate Fund.
- (3) Increase is due Telecommunications Fee .
- (4) Prior to fiscal year 2001/2002 this column was Municipal Utility Tax, which was abolished at the end of fiscal year 2000/2001 and was replaced by the Electric Franchise Fee.
- (5) Charges to other funds no longer recorded as revenue in accordance with GASB 34.
- (6) Includes Food and Beverage Tax
- (7) Increase due in part to .5% increase in Sales Tax.

City of St. Charles, Illinois

Selected General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Health and Safety</u>	<u>Public Works</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Total</u>
Ending April 30-						
1996	\$2,034,258	\$7,287,664	\$5,605,678	\$1,196,511	\$ -	\$16,124,111
1997	2,078,836	7,847,971	5,792,449	1,421,014	-	17,140,270
1998	2,782,306	8,325,392	7,648,393	1,387,842	-	20,143,933
1999	3,304,257	9,483,778	7,228,291	1,615,862	-	21,632,188
2000	3,170,417	9,757,042	8,286,886	1,896,088	-	23,110,433
2001	4,140,233	10,332,714	9,415,677	1,434,455	-	25,323,079
2002	4,154,506	12,436,250	11,639,410	1,747,015	-	29,977,181
2003	4,354,418	13,453,191	10,253,332	2,069,966	-	30,130,907
2004	2,407,389	15,458,780	8,138,474	1,611,077	172,226	27,787,946
2005	2,548,576	16,354,924	8,654,350	1,542,692	207,228	29,307,770

Data Sources: General Ledger

City of St. Charles, Illinois

Property Tax Extensions and Fiscal

Last Ten Fiscal Years

(Unaudited)

Kane County (1)

Tax Levy Year	Fiscal Year	Collections						Total Collections	Percent Current	Percent Current and Non-current
		Extension	Current	Protests	Back Taxes	Misc. Taxes	Total Non-current			
1994	1996	\$3,059,492	\$2,867,050	\$3,901	\$ -	(\$1,789)	\$2,112	\$2,869,162	93.71%	93.78%
1995	1997	2,985,832	3,062,087	4,564	-	(2,389)	2,175	3,064,262	102.55%	102.63%
1996	1998	3,648,700	2,980,642	5,832	-	(6,966)	(1,134)	2,979,508	81.69%	81.66%
1997	1999	3,808,622	3,634,934	6,110	-	(17,150)	(11,040)	3,623,894	95.44%	95.15%
1998	2000	3,709,390	3,734,251	7,098	-	(24,678)	(17,580)	3,716,671	100.67%	100.20%
1999	2001	4,310,131	4,387,750	6,046	-	(16,277)	(10,231)	4,387,829	101.80%	101.80%
2000	2002	4,680,096	4,689,394	6,662	-	(9,196)	(2,534)	4,686,860	100.20%	100.14%
2001	2003	6,901,509	6,918,132	18,289	-	(2,437)	15,852	6,933,984	100.24%	100.47%
2002	2004	7,841,657	7,850,643	9,772	-	(6,477)	3,295	7,853,938	100.11%	100.16%
2003	2005	8,656,935	8,678,076	14,333	-	(17,861)	(3,528)	8,674,548	100.24%	100.20%

DuPage County (1)

1994	1996	37,754	37,754	-	-	-	-	37,754	100.00%	100.00%
1995	1997	38,540	37,754	-	-	-	-	37,754	97.96%	97.96%
1996	1998	33,819	32,465	2,982	-	-	-	35,447	96.00%	104.81%
1997	1999	43,831	45,642	10	-	-	-	45,652	104.13%	104.15%
1998	2000	50,610	52,721	-	-	-	-	52,721	104.17%	104.17%
1999	2001	84,252	86,549	11	-	-	-	86,560	102.73%	102.74%
2000	2002	97,784	84,252	-	-	-	-	84,252	86.16%	86.16%
2001	2003	147,091	175,403	-	-	-	-	175,403	119.25%	119.25%
2002	2004	199,850	197,695	-	-	-	-	175,403	98.92%	87.77%
2003	2005	239,784	239,636	-	-	-	-	175,403	99.94%	73.15%

Kane and DuPage Counties Combined (1)

1994	1996	3,097,246	2,904,804	3,901	-	(1,789)	2,112	2,906,916	93.79%	93.85%
1995	1997	3,024,372	3,099,841	4,564	-	(2,389)	2,175	3,102,016	102.50%	102.57%
1996	1998	3,682,519	3,013,107	8,814	-	(6,966)	(1,134)	3,014,955	81.82%	81.87%
1997	1999	3,852,453	3,680,576	6,120	-	(17,150)	(11,040)	3,669,546	95.54%	95.25%
1998	2000	3,760,000	3,786,972	7,098	-	(24,678)	(17,580)	3,769,392	100.72%	100.25%
1999	2001	4,394,383	4,474,299	6,057	-	(16,277)	(10,231)	4,474,389	101.82%	101.82%
2000	2002	4,777,880	4,773,646	6,662	-	(9,196)	(2,534)	4,771,112	99.91%	99.86%
2001	2003	7,048,600	7,093,535	18,289	-	(2,437)	15,852	7,109,387	100.64%	100.86%
2002	2004	8,041,507	8,048,338	9,772	-	(6,477)	3,295	8,029,341	100.08%	99.85%
2003	2005	8,896,719	8,917,712	14,333	-	(17,861)	(3,528)	8,849,951	100.24%	99.47%

Data Sources: Kane County and DuPage County Tax Extension Offices

(1) One half of Road and Bridge Tax levied by Township is paid to the City; Therefore, the extension amounts shown include 1/2 of the Road and Bridge levy and collections include Road and Bridge payments made to the city. The extensions do not include special service areas.

City of St. Charles, Illinois

Tax Rates and Tax Extensions (Excluding Special Service Areas)

Last Ten Tax Years

Comparative Tax Rates (Per \$100 Equalized Assessed Valuation) (1)

(Unaudited)

Comparative Tax Rates (1)

<u>Fund</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Fire Pension	.0487	.0364	.0375	.0389	.0427	.0406	.0330	.0330	.0453	.0415
Police Pension	.0781	.0752	.0742	.0704	.0671	.0736	.0681	.0681	.0783	.0637
IMRF	.0979	.0879	.0803	.0769	.0888	.0843	.0830	.0830	.0841	.0897
Police Protection	.1267	.1393	.1223	.0923	.0595	.0712	.0707	.0707	.0635	.0534
Fire Protection	.1267	.1393	.1223	.0923	.0595	.0712	.0707	.0707	.0635	.0534
Tri City Ambulance (3)	.0000	.0000	.0000	.0000	.0599	.0408	.0389	.0389	.0423	.0498
Street and Bridge	.1400	.1224	.1464	.1214	.0763	.0896	.0881	.0936	.0841	.0492
Corporate	.0931	.1101	.1259	.0939	.0493	.0387	.0000	.0000	.0000	.0000
Mental Health	.0400	.0400	.0400	.0419	.0395	.0400	.0400	.0400	.0401	.0391
Bonds & Interest	.0000	.0000	.0000	.0980	.0000	.0000	.0000	.0000	.0000	.0000
Total	.7512	.7506	.7489	.7260	.5426	.5500	.4925	.4980	.5012	.4398
Increase (decrease) from Prior Year	0.1%	0.2%	3.2%	33.8%	(1.3%)	11.7%	(1.1%)	(0.6%)	14.0%	(8.2%)

Comparative Tax Extensions (1)

<u>Fund</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Fire Pension	\$ 606,808	\$ 419,814	\$ 392,659	\$ 369,792	\$ 368,301	\$ 318,188	\$ 248,548	\$ 251,833	\$ 329,939	\$ 281,746
Police Pension	974,490	867,308	776,941	669,237	578,759	576,514	512,913	519,701	570,302	432,462
IMRF	1,221,253	1,013,782	840,813	731,028	765,928	660,671	625,136	633,695	612,550	608,981
Police Protection	1,580,259	1,606,596	1,280,591	877,423	513,206	558,005	532,495	539,382	462,510	362,534
Fire Protection	1,580,259	1,606,596	1,280,591	877,423	513,206	558,005	532,495	539,382	462,510	362,534
Tri City Ambulance (3)	-	-	-	-	516,656	319,756	292,985	297,049	308,091	338,097
Street and Bridge (2)	1,842,170	1,411,683	1,532,940	1,154,054	658,112	702,208	663,548	722,843	610,729	334,024
Corporate	1,161,851	1,269,822	1,318,286	892,633	425,228	303,298	-	-	-	-
Mental Health	498,811	461,334	418,836	398,310	340,700	313,486	301,270	304,737	292,069	265,454
Bonds & Interest	-	-	-	931,609	-	-	-	-	-	-
Total	9,465,901	8,656,935	\$7,841,657	\$6,901,509	\$4,680,096	\$4,310,131	\$3,709,390	\$3,808,622	\$3,648,700	\$2,985,832
Increase (decrease) from Prior Year	9.3%	10.4%	13.6%	47.5%	8.6%	16.2%	(2.6%)	4.4%	22.2%	(2.4%)

Data Sources: Kane County Levy Rate and Extension Report

- (1) In some years, the tax rates in Kane County differ from the tax rates in DuPage County. In general, the differences are insignificant. Since 99% of the equalized assessed valued property is in Kane County, the Kane County tax rates are shown. The tax extension totals are not the actual totals because prior year adjustments are not taken into account.
- (2) The extension for street and bridge was reduced by the amount received from the townships for road and bridge prior to 1994.
- (3) Tri-City Ambulance is now levied within our Corporate Fund.

City of St. Charles, Illinois

Comparative Assessed Valuation

Last Ten Levy Years

(Unaudited)

<u>Levy Year</u>	<u>Real Property</u>				<u>Total Urban Property</u>	<u>Total Real Property</u>	<u>Railroad</u>	<u>Total Equalized Assessed Value</u>	<u>% of Increase</u>
	<u>Rural</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>					
1995	\$485,646	\$427,970,512	\$138,419,549	\$71,652,830	\$638,042,891	\$638,528,537	\$61,719	\$638,590,256	6.0%
1996	259,115	456,764,910	146,351,631	75,296,037	678,412,578	678,671,693	157,094	678,828,787	6.3%
1997	349,253	489,358,782	156,307,886	82,107,042	727,773,710	728,122,963	139,568	728,262,531	7.3%
1998	226,819	511,707,976	161,427,268	90,139,284	763,274,528	763,501,347	128,560	763,629,907	4.9%
1999	203,587	533,345,454	174,563,894	90,684,368	798,593,716	798,797,303	125,294	798,922,597	4.6%
2000	186,454	582,888,161	204,057,380	96,208,458	883,153,999	883,340,453	130,704	883,471,157	10.6%
2001	181,634	654,428,390	221,015,883	99,328,931	974,773,204	974,954,838	136,682	975,091,520	10.4%
2002	168,474	737,062,340	229,901,820	106,413,084	1,073,377,244	1,073,545,718	162,631	1,073,708,349	10.1%
2003	54,407	824,930,416	250,380,336	107,284,531	1,182,595,283	1,182,649,690	176,016	1,182,825,706	21.3%
2004	69,636	876,989,053	260,848,331	109,413,588	1,247,250,972	1,247,320,608	198,459	1,247,519,067	16.2%

Data Sources: Kane County and DuPage County Assessment Reports

City of St. Charles, Illinois

Equalized Assessed Value and Estimated Market Value

All Taxable Property

Last Ten Levy Years

(Unaudited)

Levy Year	Ratio of Assessed Value to Actual (Market) Value	Real Taxable Property (1)			Total Taxable Property		
		Assessed Value	Percent of Growth	Estimated Actual (Market) Value	Assessed Value	Percent of Growth	Estimated Actual (Market) Value
1995	33	\$638,528,537	6.0%	\$1,917,503,114	\$638,590,256	6.0%	\$1,917,688,456
1996	33	678,671,693	6.3%	2,038,053,132	678,828,787	6.3%	2,038,524,886
1997	33	728,262,531	7.3%	2,186,974,568	728,262,531	7.3%	2,186,974,568
1998	33	763,629,907	4.9%	2,293,182,904	763,629,907	4.9%	2,293,182,904
1999	33	798,922,597	4.6%	2,399,166,958	798,922,597	4.6%	2,399,166,958
2000	33	883,471,157	10.6%	2,653,066,538	883,471,157	10.6%	2,653,066,538
2001	33	975,091,520	10.4%	2,928,202,763	975,091,520	10.4%	2,928,202,763
2002	33	1,073,708,349	10.1%	3,224,349,396	1,073,708,349	10.1%	3,224,349,396
2003	33	1,182,825,706	21.3%	3,552,029,147	1,182,825,706	21.3%	3,552,029,147
2004	33	1,247,519,067	16.2%	3,746,303,505	1,247,519,067	16.2%	3,746,303,505

Data Source: Kane County Assessment Report

Real Property does not include railroad

City of St. Charles, Illinois

Property Tax Rates - All Direct and Overlapping Governments

Last Ten Tax Years

Comparative Tax Rates (Per \$100 Equalized Assessed Valuation)

(Unaudited)

Taxing Body	Tax Levy Year									
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
<u>Kane County:</u>										
City of St. Charles	.7490	.7506	.7489	.7260	.5426	.5500	.4925	.4980	.5012	.4398
County	.3467	.3578	.4292	.4529	.4877	.4772	.4912	.4972	.4975	.4988
Forest Preserve	.1432	.1270	.1395	.1520	.1634	.1985	.1171	.1183	.1192	.1204
St. Charles Township	.0501	.0509	.1294	.0559	.0574	.1481	.1483	.1529	.1311	.1704
St. Charles Cemetery	.0005	.0159	.0007	.0187	.0008	.0009	.0239	.0246	.0011	.0122
St. Charles Park District	.4572	.4457	.4201	.4318	.3957	.3856	.3871	.3878	.3656	.3321
St. Charles Library District	.2613	.2661	.2787	.2924	.3013	.2982	.2516	.3021	.3027	.3062
Special Service Area #1A	.4000	.4000	.4000	.4000	.4000	.4000	.3865	.3962	.3765	.4000
Special Service Area #1B	.8688	.9000	.9000	.9000	.9000	.9000	.9000	.8937	.8957	.9000
Unit School District #303	4.2668	4.1659	4.1156	4.0110	4.1770	4.2155	4.2605	4.2659	4.2333	4.2950
Unit School District #304	5.0254	4.9617	5.0405	4.8599	.4746	4.4845	4.4126	4.2696	4.3379	4.2770
Elgin Junior College #509	.4154	.3854	.3636	.3721	.3822	.3920	.3831	.4080	.4133	.4055
Waubonsee Jr. College #516	.4099	.4134	.4043	.4131	.4295	.4358	.4459	.4559	.4497	.4647
<u>DuPage County:</u>										
City of St. Charles	.5907	.8131	.7508	.7168	.5311	.5400	.5043	.5064	.4237	.4841
County	.1850	.1999	.2154	.2353	.2536	.2683	.2831	.2970	.3183	.3798
Forest Preserve	.1358	.1419	.1534	.1654	.1742	.1797	.1849	.1871	.1648	.1703
Wayne Township	.0696	.0727	.0763	.0812	.0829	.0847	.1736	.1951	.2063	.2342
St. Charles Park District	.4383	.4697	.4195	.4311	.3980	.3945	.4011	.3878	.3878	.3905
St. Charles Library District	.2509	.2849	.2794	.2909	.2928	.2494	.2516	.3022	.3026	.3063
West Chicago Mosquito Dist.	.0109	.0063	.0065	.0068	.0069	.0070	.0071	.0071	.0072	.0072
DuPage Airport Authority	-	-	.0248	-	-	-	.0322	.0337	.0352	.0651
Unit School District #303	3.9271	4.4122	4.1067	4.0055	4.1979	4.2151	4.2606	4.2656	4.2333	4.2613
Elgin Junior College #509	.4150	.3602	.3488	.3690	.3638	.3655	.4085	.4198	.4106	.4120

Data Source: Kane and DuPage County Tax Rate Extension Books

City of St. Charles, Illinois

Tax Levy Extensions - All Direct and Overlapping Governments

Last Ten Tax Years

(Unaudited)

Taxing Body	Tax Levy Year									
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Kane County:										
City of St. Charles (1)	\$ 9,091,780	\$ 8,656,935	\$ 7,841,657	\$ 6,901,509	\$ 4,680,096	\$ 4,310,131	\$ 3,709,390	\$ 3,808,622	\$ 3,648,700	\$ 2,985,832
County	38,453,508	36,240,409	38,670,809	36,660,254	34,097,494	32,152,730	31,251,630	29,774,977	27,941,655	26,405,241
Forest Preserve	15,883,645	12,863,420	12,568,913	12,303,729	11,912,775	13,374,512	7,450,256	7,084,432	6,694,764	6,373,679
St. Charles Township	962,855	919,444	866,733	810,038	1,777,160	1,705,887	1,622,072	1,593,241	1,268,771	1,538,612
St. Charles Cemetery	10,183	287,213	11,361	270,979	10,214	10,367	261,413	256,366	10,646	110,159
St. Charles Park District	8,768,056	8,031,599	6,794,106	6,188,067	4,961,949	4,350,383	4,141,211	3,951,180	3,469,016	2,952,742
St. Charles Library District	5,021,643	4,807,181	4,523,570	4,237,123	3,846,684	3,434,810	2,751,945	3,147,927	2,929,497	2,764,806
Special Service Area #1A	68,365	66,907	65,986	62,634	58,729	60,000	51,152	47,789	41,838	41,838
Special Service Area #1B	212,389	203,365	193,079	182,077	176,917	173,956	162,948	155,537	143,980	137,768
Unit School District #303	102,590,381	93,402,483	82,566,131	71,136,201	65,021,714	59,452,684	56,784,809	53,785,298	49,485,056	46,635,920
Unit School District #304	52,997,726	47,354,674	42,360,154	36,304,816	31,055,308	26,673,802	24,872,685	22,333,095	20,676,764	19,065,791
Elgin Junior College #509	25,741,541	22,038,866	18,397,211	16,962,606	15,735,508	15,011,919	13,884,120	13,954,114	13,243,318	12,228,278
Waubensee Jr. College #516	19,237,989	17,683,178	15,434,429	14,127,466	13,189,569	12,391,388	11,981,113	11,483,783	10,634,440	10,380,211
DuPage County:										
City of St. Charles (1)	198,848	239,783	199,850	147,091	97,784	84,252	50,610	43,831	33,819	38,540
County	59,925,341	60,035,691	59,890,524	59,904,730	59,999,405	60,089,130	60,633,422	60,305,028	61,643,533	69,853,796
Forest Preserve	43,988,440	42,616,631	42,651,840	42,108,977	41,214,102	40,246,055	39,601,270	37,990,137	31,915,973	31,119,700
Wayne Township	1,282,099	2,655,504	2,670,927	2,583,127	2,501,103	2,381,289	2,005,154	2,148,950	2,164,770	2,321,930
St. Charles Park District	126,002	116,897	91,950	86,668	66,550	42,929	27,542	21,635	18,755	18,735
St. Charles Library District	415,973	430,184	382,493	328,630	265,522	172,652	125,124	137,342	125,278	119,506
West Chicago Mosquito Dist.	131,864	70,930	68,106	64,744	60,759	57,059	53,544	50,605	48,190	12,784
DuPage Airport Authority (2)	-	-	6,588,979	-	-	-	6,596,436	6,558,178	6,546,723	10,731,354
Unit School District #303	6,026,236	6,146,206	5,404,792	4,378,563	3,724,144	2,021,160	2,021,160	1,877,412	1,826,224	1,749,571
Elgin Junior College #509	5,122,671	4,139,214	3,659,439	3,492,681	3,147,958	3,057,169	3,057,169	2,901,468	2,791,036	2,648,270

Data Source: Kane and DuPage County Tax Rate Extension Books

- (1) Includes separate road and bridge extension.
 (2) DuPage Airport Authority is not listed in the taxcodes of the City in DuPage County.

City of St. Charles, Illinois

Typical Total Tax Rate

(Per \$100 of Equalized Assessed Value)

Based on the 2004 Tax Levy Year

(Unaudited)

City of St. Charles	.7490
Kane County	.3467
Forest Preserve	.1432
St. Charles Township	.1216
St. Charles Cemetery	.0005
St. Charles Park District	.4572
St. Charles Library District	.2613
Unit School District #303	4.2668
Elgin Community Junior College #509	.4154
	<hr/>
	6.7617
	<hr/>

Data Source: Kane County Tax Rate Sheet

City of St. Charles, Illinois

Ratio of General Bonded Debt to Assessed Value and

Net Bonded Debt Per Capita

Last Ten Fiscal Years

<u>Levy</u> <u>Year</u>	<u>Fiscal</u> <u>Year</u>	<u>Population (1)</u>	<u>Assessed</u> <u>Value</u>	<u>General</u> <u>Obligation</u> <u>Bonded Debt</u>	<u>Ratio of General</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Net Bonded</u> <u>Debt Per</u> <u>Capita</u>
Ending April 30-						
1995	1996	25,988	\$638,590,256	\$ -	-	\$ -
1996	1997	26,286	678,828,787	-	-	-
1997	1998	26,976	728,262,531	8,090,000	1.111%	299.90
1998	1999	27,455	763,629,907	20,860,000	2.732%	759.79
1999	2000	27,675	798,922,597	17,732,355	2.220%	640.74
2000	2001	27,896	883,471,157	27,144,784	3.073%	973.07
2001	2002	28,102	975,091,520	32,040,000	3.286%	1,140.13
2002	2003	31,000	1,073,708,349	35,360,000	3.293%	1,140.65
2003	2004	31,834	1,182,825,706	37,875,000	3.202%	1,189.77
2004	2005	32,826	1,247,519,067	42,135,000	3.378%	1,283.59

Data Sources: Final Balance Sheet, Kane County Assessment Report, and Census

(1) Amounts for the years 1992, 1994, 1996 and 2000 are derived from the Bureau of the Census data. All other amounts are estimated.

City of St. Charles, Illinois

Computation of Direct and Overlapping Debt

(Unaudited)

<u>Issuing Body</u>	<u>2004 Assessed Valuation</u>	<u>Outstanding Debt as of April 30, 2005</u>	<u>Percentage Applicable to the City of St. Charles</u>	
			<u>Percent</u>	<u>Amount</u>
Kane County	\$11,091,831,468	\$ -	11.3920%	\$ -
Kane County Forest Preserve	11,091,931,468	64,670,000	11.3920%	7,080,072
DuPage County	32,392,076,686	52,990,000	0.098%	55,110
DuPage County Forest Preserve	32,392,076,686	194,996,835	0.098%	202,797
St. Charles Park District	1,946,352,846	8,460,000	64.498%	5,401,541
School District 303	2,557,828,239	164,705,000	49.588%	80,204,747
School District 509	9,858,029,120	57,816,879	12.880%	-
School District 304	1,054,586,684	119,700,856	0.215%	82,585
School District 516	7,017,262,845	39,683,641	0.033%	11,508
Total Overlapping Debt				\$ 93,038,360
City of St. Charles	1,247,519,067	42,135,000	100.0000%	42,135,000
Total Direct and Overlapping Debt				<u>\$135,173,360</u>

Overview of Debt Capacity

Estimated true (market) valuation (2004)	\$3,746,303,505
Equalized assessed value (2004)	1,247,519,067
Direct general obligation bonded debt	42,135,000
Percentage of equalized assessed value	3.38 %
Per capita (population 32,826)	1,283.59
Overlapping general obligation bonded debt	93,038,360
Direct and overlapping general obligation bonded debt	135,173,360
Percentage of equalized assessed value	10.84 %
Percentage of true (market) valuation	3.61 %
Per capita (population 32,826)	4,117.87

Data Sources: Overlapping Debt Schedule, Kane and DuPage County Assessment Reports,
Final Balance Sheet and U.S. Census (estimate)

City of St. Charles

Ratio of Annual Debt Service

General Bonded Debt to Total General Expenditures (1)

Last Ten Fiscal Years

(Unaudited)

					Ratio of Debt Service to Total General Governmental Expenditures
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Other Charges</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	
Ending April 30 -					
1996	\$815,000	\$114,645	\$929,645	\$16,124,111	5.77%
1997	869,538	81,362	950,900	17,140,270	5.55%
1998	875,000	44,341	919,341	20,143,933	4.56%
1999	320,000	732,137	1,052,137	21,632,188	4.86%
2000	449,803	735,795	1,185,598	23,110,433	5.13%
2001	587,571	862,253	1,449,824	25,323,079	5.73%
2002	825,472	1,299,150	2,124,622	29,977,181	7.09%
2003	1,393,373	1,381,129	2,774,502	30,130,907	9.21%
2004	1,487,916	1,366,768	2,854,684	27,787,946	10.27%
2005	1,671,131	1,461,995	3,133,126	29,307,770	10.69%

Data Sources: General Ledger

(1) Includes General Corporate Fund

City of St. Charles, Illinois

Revenue Bond Coverage

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ending April 30-	Operating Revenue	Non- Operating Revenue (1)	Gross Revenue	Operating Expenses (2)	Net Revenue Available for		Debt Service Requirements			Revenue Bond Coverage
					Debt Service					
						Principal	Interest	Total		
Electric Fund										
1996	\$25,990,207	\$1,463,404	\$27,453,611	\$23,082,621	\$4,370,990	\$ -	\$ -	\$ -	-	
1997	24,415,156	1,504,918	25,920,074	22,712,947	3,207,127	-	-	-	-	
1998	24,297,610	1,487,437	25,785,047	22,861,617	2,923,430	-	-	-	-	
1999	26,168,769	2,479,666	28,648,435	24,602,038	4,046,397	-	-	-	-	
2000	27,241,959	1,685,074	28,927,033	26,348,495	2,578,538	-	-	-	-	
2001	28,814,324	3,636,242	32,450,566	28,057,008	4,393,558	-	-	-	-	
2002	32,770,604	1,229,099	33,999,703	28,009,384	5,990,319	-	-	-	-	
2003	34,286,803	1,480,061	35,766,864	29,431,905	6,334,959	-	-	-	-	
2004	33,697,494	951,465	34,648,959	29,163,306	5,485,653	-	-	-	-	
2005	34,604,347	488,157	35,092,504	29,750,598	5,341,906	-	-	-	-	

Water and Sewer Fund

1995	\$ 5,429,675	\$ 1,137,744	\$ 6,567,419	\$ 4,664,298	\$ 1,903,121	\$ 70,000	\$ 90,832	\$ 160,832	11.83%
1996	5,928,234	898,198	6,826,432	5,018,178	1,808,254	75,000	87,543	162,543	11.12%
1997	6,766,541	1,060,439	7,826,980	5,156,563	2,670,417	80,000	83,793	163,793	16.30%
1998	6,855,710	1,240,963	8,096,673	5,416,563	2,680,110	85,000	79,632	164,632	16.28%
1999	7,980,415	2,805,511	10,785,926	5,416,563	5,369,363	90,000	75,000	165,000	32.54%
2000	7,987,029	2,949,427	10,936,456	5,494,172	5,442,284	95,000	69,870	164,870	33.01%
2001	8,109,891	3,421,737	11,531,628	5,404,465	6,127,163	100,000	64,170	164,170	37.32%
2002	8,151,115	3,036,301	11,187,416	6,153,150	5,034,266	895,000	29,035	924,035	5.45%
2003	8,276,676	2,138,109	10,414,785	7,085,867	3,328,918	-	-	-	-
2004	8,318,339	1,069,696	9,388,035	7,148,657	2,239,378	-	-	-	-
2005	8,343,522	997,205	9,340,727	7,549,028	1,791,699	-	-	-	-

Data Sources: General Ledger

(1) Adjusted for interest expense

(2) Excludes depreciation

City of St. Charles, Illinois

Insurance Coverage

April 30, 2005

(Unaudited)

Coverage/Carrier	Description and Limits
St. Paul General Liability Policy #GP06301224	General Agg \$ 1,000,000 Products/Comp/Op/Agg \$ 1,000,000 Personal & Adv Injury \$ 1,000,000 Advertising Injury \$ 1,000,000 Each Occurrence \$ 1,000,000 Premises Damage \$ 500,000 SIR Per Occurrence \$ 100,000
St. Paul Employee Benefits Policy #GP06301224	Total limit \$ 1,000,000 Each wrongful act \$ 1,000,000 SIR per occurrence \$ 100,000
St. Paul Law Enforcement Policy #GP06301224	Total Limit \$ 1,000,000 Each wrongful act \$ 1,000,000 SIR per occurrence \$ 100,000
St. Paul Public Entity Management Policy #GP06301224	Total Limit \$ 5,000,000 Each wrongful act \$ 5,000,000 SIR each wrongful act \$ 100,000 Retroactive date: 7-1-1997 \$ 100,000
St. Paul Employment Practices Policy #GP06301224	Each claim \$ 1,000,000 Total limit \$ 1,000,000 SIR each claim \$ 100,000 Retroactive date: 7-1-1997
St. Paul Automobile (any auto) Policy #GP06301224	Auto Liability \$ 1,000,000 SIR Each Accident \$ 100,000
St. Paul Auto Physical Damage Policy #GP06301224	Comprehensive Ded \$ 1,000 Collision Ded \$ 1,000
St. Paul Crime Insurance Policy #GP06301224	Employee Theft \$ 500,000 Forgery or Alteration \$ 500,000 Theft of money & Securities \$ 500,000 Robbery of Sage/burglary of other property \$ 500,000 Outside Premises \$ 500,000 Computer Fraud \$ 500,000 Money order or counterfeit paper \$ 500,000
St. Paul Umbrella/Excess Liab Policy #GP06301224	Limit \$15,000,000 SIR \$ 10,000
Hartford Steam Boiler Boiler & Machinery Policy # 9189937	Policy Limit \$50,000,000 Deductible \$ 25,000
Safety National Excess Worker's Compensation Policy# SP6912IL	Specific Limit Statutory Benefits Employee's Liability \$ 1,000,000
Federal Insurance Company Excess Property Policy# 199708	Building & Personal Property \$91,092,447 Extra Expense \$ 500,000 Contingent Business Interruption \$ 2,887,157 Personal Property in Transit \$ 50,000 Valuable Papers \$ 975,000 Accounts Receivable \$ 100,000 EDP Property \$ 871,543 EDP Extra Expense \$ 25,000 Any other locations \$ 100,000 Traffic Signals \$ 1,317,828 Flood \$15,000,000 Earthquake \$15,000,000

All Policies Expire July 1, 2005.

Note: The city's service company is Gallagher-Bassett and Company. Arthur J. Gallagher acts as broker for the majority of lines of insurance coverage

City of St. Charles, Illinois

Demographic Statistics

Last Ten Fiscal Years

(Unaudited)

<u>Fiscal</u> <u>Year</u> Ending April 30 -	<u>Population (1)</u>	<u>Per Capita</u> <u>Income</u>	<u>Median</u> <u>Age</u>	<u>School</u> <u>Age</u> <u>Children</u>
1996	25,988	\$33,189	32.9	7,014
1997	26,286	35,789	33.1	7,966
1998	26,976	38,787	33.3	8,697
1999	27,455	39,672	33.5	9,495
2000	27,675	40,215	33.7	10,394
2001	27,896	40,215	34.6	10,902
2002	28,102	34,935	36.0	11,278
2003	31,000	33,969	36.0	12,856
2004	31,834	33,969	36.5	13,060
2005	32,826	33,969	36.5	13,139

Population, median age and school age children for FY 1990, 1992, 1994 and 1997,

(1) (1992 & 1997 - population only) are derived from The Bureau of Census data.

All other figures are estimated on such.

Residential Housing Units

Family households	8,370
Non-family households	<u>3,333</u>
Total Dwelling Units	11,703

Unemployment Rates:

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2004</u>
St. Charles	3.7%	3.5%	6.0%	7.2%
Illinois	4.7%	4.3%	6.3%	5.8%
United States	4.8%	4.5%	6.4%	5.4%

Household Size

<u>Employment- Private Sector</u> <u>Industry</u>	<u>Number of</u> <u>Employees</u>	<u>Percent</u>		<u>St. Charles</u>	<u>U.S.</u>
Construction	1,463	8.0%	1960	3.30	3.26
Manufacturing	6,230	34.1%	1970	3.14	3.14
Transportation	698	3.8%	1980	2.81	2.70
Wholesale and Retail	5,043	27.6%	1990	2.81	2.65
Finance, Ins., Real Estate	1,044	5.7%	2000	2.74	2.60
Business Services	2,338	12.8%	2010*	2.63	2.55
Health and Other Services	1,464	8.0%	*Estimated		
Total	<u>18,280</u>	<u>100.0%</u>			

Sources: Based on the 2000 Census

City of St. Charles, Illinois

Property Values and Construction

Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>Commercial Construction</u>		<u>Business Construction</u>		<u>Residential Construction</u>		<u>Total Building Permits Issued</u>	
	<u>No. of Permits</u>	<u>Value</u>	<u>No. of Permits</u>	<u>Value</u>	<u>No. of Dwelling Units (1)</u>	<u>Value</u>	<u>No. of Permits</u>	<u>Value (2)</u>
1996	7	\$7,296,000	5	\$914,000	162	\$29,021,155	1071	\$59,856,214
1997	11	11,839,172	8	8,767,620	174	23,115,886	1184	59,490,427
1998	3	2,985,000	5	8,665,000	181	42,803,138	1233	81,459,319
1999	9	9,599,419	12	14,980,000	134	27,337,488	1366	99,152,755
2000	8	3,000,000	8	17,548,000	580	66,431,630	1921	118,333,227
2001	7	5,780,000	21	28,044,192	441	28,117,192	1618	93,749,090
2002	7	5,534,505	15	19,268,000	533	68,639,874	1375	21,365,771
2003	1	580,000	11	16,940,000	315	49,522,109	1870	105,941,733
2004	2	1,460,000	14	11,899,500	168	35,310,014	2116	97,315,718
2005	4	4,707,204	13	26,905,350	80	22,352,839	1736	85,875,595

Data Source: Building and Zoning Reports

(1) This total includes Single-Family and Multi-Family dwelling units.

(2) Total Permits include new construction, alterations, additions and repairs.

City of St. Charles, Illinois

Equalized Assessed Valuation of Major Taxpayers (1)

(Unaudited)

<u>Taxpayer</u>	<u>2004 Assessed Valuation</u>	<u>Percent of City of St. Charles 2004 Valuation</u>
1. Arthur Anderson & Co.	\$ 11,924,315	0.960%
2. Pheasant Run Resort	11,790,280	0.950%
3. AMLI at St. Charles,	8,417,458	0.670%
4. Main Street Commons	5,550,668	0.440%
5. Pier One Imports- Midwest Inc.	5,219,359	0.420%
6. Meijer Stores Limited Partnership	5,170,113	0.410%
7. Charlestowne Mall, LLC	4,856,894	0.390%
8. Wallace Business Forms, Inc & Wallace Computer Services	4,848,523	0.390%
9. Target Corporation	4,404,693	0.350%
10. Delnor Community Residential Living and Delnor Hospital	4,285,529	0.340%
Total	<u>\$ 66,467,832</u>	<u>5.33%</u>
Total Valuation for City	<u>\$1,247,519,067</u>	<u>100.00%</u>

Data Source: Kane County Listing by Tax Code

(1) Equalized Assessed Value is approximately 1/3 of market value.

City of St. Charles, Illinois

Miscellaneous Statistics

(Unaudited)

Form of Government:

Mayor/Council
Settled in 1834
Incorporated as a Town in 1853
Incorporated as a City in 1874
Home Rule Community in 1994

Demographics:

Population	1980 -	17,492
	1990 -	22,620
	1999 -	27,676
	2000 -	27,896
	2003 -	31,834
	2004 -	32,826
Land Area (Square miles)		16.4
Geographic Location - miles from Chicago		35

Public Health and Safety:

Police Protection

# of sworn officers	53
Chief	1
Section Commanders	2
Shift Commanders	0
Sergeants	9
Detectives	6
Patrol Officers	34
K- 9 Unit	1

Fire Protection

Number of Fire Stations	3
# of Full-Time Firefighters -	50
Chief	1
Assistant Chiefs	5
Lieutenants	14
Captains	3
Firefighters	27
# of Paid on Call Firefighters	27

Water and Wastewater utilities:

Water

Average daily pumpage	4,441,000
High pressure	3,661,000
Low pressure	780,000
# of Wells	7
Maximum Day Consumption	7,412,000
Maximum Hour Consumption	750,000

Wastewater

Gallons of wastewater -	
Average daily flow	4,700,000

Electric Utilities:

Number of Substations	6
Number of Customers	14,675
Average Monthly Billed	43,185,724
Total Billed 2000- kwh	518,228,690

Education:

	Public Schools	Enrollment
Elementary	12	5,997
Middle School	3	3,214
High School	2	3,928
Special Education	1	207
Staff to student ratio		1:20
% of 97/98 senior class graduated		94%
% of students continuing their education		90%

Public Works:

Street miles maintained (all paved)	
Residential	122.5 County 11.8
Industrial	11.1 State 25.9

Climate:

Avg. Summer Temp.	74.7	Avg. Winter Temp.	24.3
High Temp. (1995)	105	Low Temp. (1985)	-27
Avg. Annual Precip.	35.3		

Elections:

	2005	2003	2001	1999
Registered:				
Kane:	20772	18,523	17,555	15,529
Dupage:	347	232	157	45
# Ballots Cast:				
Kane:	6850	7,897	4,813	4,822
Dupage:	61	59	24	4

Recreation and Cultural:

Parks	56 Libraries	1
Park Acreage	1,400 Books Owned	275,000
Recreation Centers	2 Registered patrons	22,494
Park District Pools	2 Theater Screens	24
Public Golf Courses	4 Shopping Districts	3
Miniature Golf Courses	1 Restaurants	118
Annual Park Programs	1,600 Civic Organizations	3
Cultural Arts Center	1 Hotel/Motel Rooms	1,269
Financial Institutions	18 Conference Centers	2